

B3940-1

**GENERAL ELECTRIC MORTGAGE
INSURANCE COMPANIES
PRESENT A DETAILED STUDY OF
MORTGAGE LENDING TRENDS.**

\$15.00

SURVEY
NUMBER 5
AUGUST 1984

ADJUSTABLE TYPE MORTGAGES





**General
Electric
Mortgage
Insurance
COMPANIES**

September 28, 1984

Increasing speculation about the future of the economy affects no sector more directly and forcefully than the housing industry. Housing starts began to increase during the 1983 recovery and continued to climb through the first half of 1984; but expectations for the near term are not as bright, especially if interest rates remain high. The talk of a slowdown in national growth, regardless of the beneficial effects perceived by economists, may reduce the propensity of consumers to make major investments, as fear of the possibility of a recession increases. Interest rates rise and fall without satisfactory explanation, and the government deficit looms ever larger on the horizon.

In this atmosphere of uncertainty, it is more important than ever that those of us in the housing sector be aware of and fully understand the current state of the industry, as well as the apparent trends that will carry us into 1985. General Electric Mortgage Insurance Companies, as a committed member of the real estate community, will continue to seek out the information that is needed to help our partners in the housing industry chart the most appropriate course for the future. It is as a part of this effort that I present to you our fifth nationwide survey of mortgage lenders.

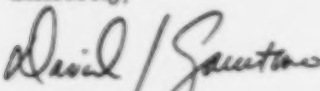
The survey covers a variety of mortgage instruments, with emphasis on adjustable type loans. We have once again expanded the survey to provide you with more in-depth information in areas where rapid, and often significant changes are occurring and highlighting some areas not previously explored. For example, our questions on payment and interest rate caps provide a very detailed picture of the loan plans most frequently offered by the survey participants.

The response rate was, once again, very high, with 92% of the potential respondents cooperating. Additionally, the number of mortgage servicers surveyed, including mortgage bankers and commercial banks, was increased from the previously surveyed 50 to 100 organizations.

As you review the results of our survey, you will note some dramatic changes from last year's survey results, particularly in the areas of ARM origination volume and ARM plan characteristics. These results reflect management decisions made in the past. Future trends in the use and design of mortgage instruments must depend on your and the industry's evaluation of their merits. I hope that you will find the survey to be a useful tool in the development of lending policies for your own organization.

As you know, this is a period of significant change within the housing industry, for lenders and mortgage insurers alike. As the variety of alternative mortgage instruments increases, we are faced with the task of reevaluating mortgage programs and the level of risk they carry. In doing so, we are always seeking additional sources of information to help us strengthen our role in the industry and better serve our customers. It is in this spirit that we provide you with Survey 5. Of course, we also appreciate the opportunity to assist you in all of your mortgage insurance needs.

Sincerely,



David J. Galitano
President

SURVEY NO. 5 ADJUSTABLE TYPE MORTGAGES

INTRODUCTION

The extent to which adjustable rate mortgages have overtaken more traditional instruments in the mortgage marketplace has been a matter of considerable news value during the past year. Serious discussions regarding the desirability of ARMs in general and their various characteristics have taken place among all those involved in the housing industry—from home buyers and agents to lenders and government officials at all levels.

In light of these concerns, the number of questions in our fifth comprehensive mortgage survey conducted by General Electric Mortgage Insurance Companies (GEMICO) was expanded by nearly 100% to enable the collection and analysis of even more data than was previously available. Survey 5 focused on two broad issues: First, the types of loans lenders make available to the home buyer versus those they are actually originating and, second, the specific characteristics of their most frequently used mortgage plans.

You will find from the supporting graphs and tables in subsequent pages that the composition of mortgage origination volume has changed dramatically since the last survey was conducted in June 1983. As both consumers' and lenders' views of non-traditional mortgage instruments have matured, it is evident that the prevalent characteristics of such loans have been modified to reflect a greater understanding of the inherent risks.

For GEMICO's Survey 5, the number of mortgage servicers invited to participate was increased from 50 to 100. These organizations—both mortgage banking companies and commercial banks—were selected based on their permanent real estate servicing dollar volume as published in the annual ranking compiled by *American Banker*.¹ The survey's statistically representative sample of 400 saving and loan associations is characteristic of all thrift institutions nationwide. A response rate of 92% was achieved across all potential participants.

A written synopsis of the survey results, highlighting those areas of particular interest is presented below. The second section contains selected graphical representations of results. A brief description of the survey methodology is set forth in the third section, and the final section provides tables detailing the responses to each question, segmented by type of lender, size and region.

CONVENTIONAL STANDARD FIXED-RATE MORTGAGES

AVAILABILITY BY TYPE OF LENDING INSTITUTION

The percentage of mortgage servicers offering conventional standard fixed-rate fixed-payment non-balloon mortgages (SFRM) dropped from 100% in June 1983 to 97.3% in the current survey. The most frequently used option, offered by 98.6% of those making SFRMs available, was the 30-year term. Nearly half of this group also had a 15-year term SFRM available. A variety of alternative term instruments were offered on a very limited basis.

¹ "Top 100 Mortgage Servicers in the U.S...." *American Banker*, May 7, 1984, pp. 22-27.

Only 66% of the savings & loan associations surveyed offered SFRMs to their customers, reflecting a drop from last year's 71.2%, but still significantly higher than the 51.6% reported in Survey 3 (September 1982). As in the case of mortgage servicers, the most frequently offered term was 30 years (70% of those S&Ls offering SFRMs), with 45.1% reporting the availability of 15-year instruments. This rather dramatic increase in the popularity of the 15-year term is balanced somewhat by a drop in the percentage of S&Ls offering 20- and 25-year mortgages. However, in general, thrifts continue to offer a wider variety of term options than mortgage servicers.

AVAILABILITY BY SIZE OF LENDING INSTITUTION

As was also pointed out in Survey 4 (June 1983), the larger the thrift, the more likely it is to offer SFRMs. Yet while the \$1 Billion and over segment is the most likely to offer 30-year term instruments (98.8%), it is least likely to offer 15-year terms (31.2%) or most other options. In the smallest S&Ls (the less than \$100 Million segment), 15-year mortgages were available nearly as often as 30-year instruments (48.7% compared to 57.9%). These smaller institutions also reported the highest percentages of 20- and 25-year terms, with availability at 24% and 20% respectively. The data indicate that, in general, the smaller thrifts are apt to offer a wider variety of term options.

AVAILABILITY BY REGION (SAVINGS AND LOANS)

Savings and loans in the western region are more likely to offer SFRMs than their counterparts in the rest of the United States (82.5%). However, they offer the least selection with respect to term options, with 93.1% making available 30-year terms and a total of 16.0% offering other alternatives. In the North Central region the availability of 15-year loans (65.6%) is virtually identical to that of loans with 30-year terms (66.8%). Overall, North Central lenders offer the greatest variety of term options to the home buyer.

PREPAYMENT PENALTIES

The percentage of lenders charging prepayment penalties dropped compared to the June 1983 survey results, making the imposition of such penalties definitely the exception rather than the rule in most lenders' plans (mortgage servicers at 14.1%; thrifts at 13.3%). The largest thrifts (\$1 Billion and over) are the most likely to charge such penalties (19.8%), as are those in the Northeast region (22.2%). For those lenders that do impose a penalty, the most frequently levied charge appears to be either six months interest or one to two percent of the outstanding loan balance.

SFRM ORIGINATION VOLUME

While SFRMs were generally available across the board to home buyers, the percentage of originations that fell into this category has declined substantially since Survey 4 results were published. More than 53% of the mortgage servicers and 45% of the thrifts surveyed reported that their SFRM originations accounted for less than 25% of their conventional loan volume. Nearly 90% of the mortgage servicers and 72% of the thrifts had SFRM originations that represented 50% or less of their total volume. This shift was particularly dramatic for S&Ls, only 32.2% of which reported SFRM originations of 50% or less last year.

Comparable results can be seen when inspecting S&Ls across categories, with the percentage of these lenders having 50% or less of their originations as SFRMs directly related to the size of the institution. The largest thrifts approach the position of mortgage servicers, with 85.1% of them reporting that SFRMs accounted for 50% or less of their conventional originations in the last 12 months.

Regionally, it appears that western S&Ls are least likely to originate SFRMs (83.2% had 50% or less during the last 12 months), although, as noted previously, they are the most likely to offer them to their customers. Institutions in the Northeast are the most likely to originate SFRMs (49.9% originated more than 50%).

In attempting to explain why this shift has occurred, one of the most obvious theories is the relative unattractiveness of interest rates on long-term instruments. This theory is borne out by the survey results, which indicate that more than 97% of the servicers and 89% of the thrifts were offering interest rates of 14% or higher on their longest term SFRMs. In the West, nearly 34% of the S&Ls reported rates of 15% to 16%.

While 90.1% of the mortgage servicers offered an interest rate buydown feature on their SFRMs, only 29.6% of the thrift institutions did so. An examination of size differentials indicated that the smallest S&Ls are least likely to offer such a feature (23.7%). Regionally, western thrifts are much more likely to make available a buydown than S&Ls as a group (57.3% compared to 29.6%) and, on the other extreme, those located in the Northeast are much less likely to do so (7.3%). When a buydown is offered, the average charges per 1% interest rate reduction across mortgage servicers and S&Ls are about 464 and 413 basis points respectively. The most frequently cited charge for each decrease of 1% in the interest rate for both these groups was 600 basis points.

PORTFOLIO ORIGINATIONS AND SECONDARY MARKET SALES

As might be expected, a higher percentage of thrifts (57.8%) than mortgage servicers (23.9%) are originating SFRMs for their own portfolios. However, in both groups this percentage has increased over the June 1983 survey results. As was the case last year, there appears to be an inverse relationship between the size of the S&L and its propensity to originate SFRMs for internal investment, with only 23.3% of the \$1 Billion and over category compared to 67.1% of the less than \$100 Million group doing so. Northeastern institutions are much more likely to originate such instruments for their own portfolios than their western counterparts (67.2% compared to 28.5%).

Those institutions that are originating SFRMs for sale indicate that Freddie Mac (FHLMC) and Fannie Mae (FNMA) are the most prevalent buyers. Among mortgage servicers, 35.4% sell the majority of their SFRMs to Fannie Mae, while thrifts tend to favor Freddie Mac (46.5%). Private investors are also popular secondary sources, particularly for mortgage servicers (25%) and southern thrifts (23.8%).

DELINQUENCIES AND FORECLOSURES

Among the issues addressed in Survey 5 for the first time were those concerning delinquencies and foreclosures. The purpose in soliciting this type of information was twofold: First to provide a snapshot of the current level of risk associated with SFRMs; and second, to provide a frame of reference for examining the relationship of adjustable rate mortgage instruments to a lender's overall risk portfolio. While nearly 44% and 28% of the mortgage servicers and S&Ls respectively are reported in the "Do Not Know" category, specific answers from the majority of survey participants in both groups were appropriately weighted and are presented in tabular form on page 51.

THE FUTURE OF STANDARD FIXED-RATE MORTGAGE INSTRUMENTS

More than 51% of the thrift institutions queried responded that they would be deemphasizing SFRMs in the next year in favor of adjustable rate instruments. Slightly more than 5% of these lenders plan to cease offering such mortgages altogether. About 45% of the mortgage servicer group plan to reduce their emphasis on standard fixed-rate originations. Although the intent to deemphasize SFRMs can be seen in S&Ls of all sizes and in all regions, it appears strongest in the \$100-299 Million size range (60.4%) and western institutions (62.5%).

ADJUSTABLE RATE MORTGAGES

AVAILABILITY

Survey 5 indicates, as have all the previous surveys, an increase in the percentage of lending institutions offering adjustable rate mortgage instruments (ARMs). The percentage of lenders making such loans available is approaching 100%, and, in fact, has attained this level in the \$300-999 Million S&L category. The others are not far behind.

As a group, 98.6% of the mortgage servicers are making ARMs available to their customers. The percentage of thrifts offering such loans rose dramatically from 69% in June 1983 to 91.4% in August 1984. Looking at size, the largest percentage increase in ARMs availability was seen in the smallest S&Ls, which went from 64.5% to 89.6%. Regionally, the percentage of ARMs-offering institutions in the Northeast nearly doubled, with the most modest increase (15.6%) in the southern states (from 80.5% to 93.1%). Clearly, the home buyer desiring an adjustable rate mortgage will have no trouble finding a lending institution willing to originate one, no matter where he or she resides.

The survey indicates further that while ARMs are readily available throughout the industry, mortgage servicers are offering a much wider variety of plans from which to choose, with about 65% having six or more distinct plans. Thrifts, on the other hand, are offering a smaller range of options, with 60.5% having only one or two plans. The larger the S&L, the more apt it is to provide a wider range of alternatives. For example, of those in the \$1 Billion and over category, nearly 47% have three or four plans available compared to 26% in the less than \$100 Million size range. In contrast to the mortgage servicers group, few thrifts offer more than 10 plans to the public.

When queried about the types of plans they offer, mortgage servicers seem much more likely to offer a "standard" plan² than the thrifts. For instance, while nearly 64% of the servicers offer a Fannie Mae 1-year ARM, only 15.5% of the S&Ls report having that plan available to customers. For the largest S&Ls, this percentage increases to almost 22% and for those in the South to 23%. For thrifts in general, the single most available standard plan is the Freddie Mac 1-year ARM, being offered by 30.9% of this lender group. Mortgage servicers are more likely to offer a Fannie Mae plan, with the 1-year ARM being the most prevalent.

Yet, while these standard plans may be available through their organizations, nearly 81% of the mortgage servicers and 69% of the thrifts responded that the plan they have actually originated most often over the last six months was not a standard one. The standard plan most frequently used by mortgage servicers was the Fannie Mae 1-year ARM (11.1%), while S&Ls preferred the Freddie Mac 1-year ARM (16% overall, up to 25.7% for thrifts in the \$100-299 Million size range and 27.5% in the West). Note the difference between the availability of, for example, the Fannie Mae 1-year ARM among mortgage servicers (64%) and its actual use by these institutions (11.1%).

² "Standard plan refers to those mortgage plans developed primarily by FNMA and FHLMC. Plan characteristics are set forth on page 13.

NEGATIVE AMORTIZATION

While the percentage of S&Ls allowing negative amortization on their most frequently used ARM plan has dropped from 19.2% in June 1983 to 11.6%, the most dramatic change took place in the mortgage servicer category. In Survey 4, 90.9% of these lenders allowed negative amortization in their most popular ARM plans. In August 1984 (Survey 5), this percentage fell precipitously to 27.8%.

Within the thrift categories, the likelihood of allowable negative amortization increased with the institution's asset size and varied regionally. While only 8.9% of the smallest S&Ls (less than \$100 Million in assets) allowed negative amortization in their most often used plans, this percentage increased to 30.6% for the largest thrifts surveyed. Lenders in the West were much more likely than those in the Northeast to have provisions for negative amortization (20.7% compared to 2.8%).

As was the case last year, most of the lenders permitting negative amortization also capped it (90% of the mortgage servicers and 92% of the S&Ls). While the average cap varied slightly depending on the characteristics of the particular lender segment, the most frequently reported cap for all mortgage servicers and S&Ls was 125% of the original loan balance.

The percentages of mortgage servicers and S&Ls reporting the existence of immediate negative amortization in their most frequently used plans due to a difference between the initial payment rate and the initial interest rate were down from those reported in Survey 4. Only 40% of the mortgage servicers and 23.2% of the S&Ls acknowledged such a spread. Among S&Ls, immediate negative amortization was least likely in the \$300-999 Million size category and among institutions in the Northeast and the West. It was for more likely in lenders in the \$100-299 Million size range (37.5% compared to 23.2% for S&Ls generally).

INDEX

Almost 61% of the mortgage servicers questioned based their rates for their most popular ARMs on the 1-year treasury securities adjusted to a constant maturity. This stands in stark contrast to Survey 4 results, in which the 5-year treasury securities index was by far the most prevalent index used (67.1%). Among these lenders the second most frequently used index was the 1-year treasury auction average (26.6%).

Savings and loans also made a significant switch to the 1-year treasury security adjusted to a constant maturity (34.2%) from last year's number one index—the National Average Federal Home Loan Bank Board (FHLBB) Contract Rate—with 61.7%. The FHLBB Index and the 1-year treasury auction average were, however, also frequently cited by thrifts in general (each index by 17.9%).

While S&Ls favor the 1-year treasury/constant maturity index regardless of size or region, there are differences evident in the second most popular choice. The smallest thrifts tend to use the FHLBB Index (23.4%), while the largest prefer the 1-year treasury auction average index (28.8% compared to 6.9% for the FHLBB Index). Regional differences are less distinct.

PAYMENT ADJUSTMENTS

Frequency

The vast majority of all lenders surveyed provide for payment adjustments on an annual basis. This represents a substantial change for mortgage servicers, which last year indicated that the most frequently used adjustment periods were every five years (37.5%) or every year for the first five years and every five years thereafter (34.1%). Survey 5 results reveal that 83.3% of these lenders make annual adjustments on the plan they use most often.

Similarly, 75.8% of the thrifts surveyed provide for adjustments every year on their most frequently offered ARM plan. This adjustment period was used most often in the western region (90.9%) and with less frequency in the Northeast (60.6%), where adjustments every three years were also prevalent (32%). The larger the lender, the more likely it is to use the annual adjustment period (although the differences are not acute—72.7% for the smallest S&Ls compared to 83.3% for the largest). Also, more small thrifts acknowledge using a three year adjustment period (18.2% for the less than \$100 Million range versus 4.2% for those with assets of \$1 Billion or more).

Graduated Payments

The popularity of graduated payments has decreased considerably since Survey 4 results were published. Only 18.3% of the mortgage servicers questioned offered a graduated payment feature on the ARM they used most often. This is down from 45.5% in June 1983. The percentage of S&Ls reporting such a feature dropped from 7.5% in Survey 4 to 4.7% for the current survey. Thrifts in the western region were by far the most likely to offer the graduated payment option (18.9%).

Caps

Survey 5 attempted to explore in much greater depth than previous surveys the extent to which payment caps are offered by lenders. Responses were gathered on a per adjustment basis as well as for lifetime or term caps. Based on the survey results, however, we believe that the questions pertaining to payment caps, on both a per adjustment and life of loan basis, may not have been clearly stated, or understood by many of the survey participants.

Since the vast majority of lenders did not allow negative amortization on their most frequently used ARM plan, the percentages of those offering payment caps should not have been as high as they were reported to be in this series of questions. Also, until very recently, most ARM loan plans did not provide for both payment *and* interest rate caps—interest rate caps being far more prevalent. Yet, the survey results indicate that a significant percentage of participants offered both types of caps.

Finally, the majority of lenders offering payment caps reported that those caps were pegged at less than 5.0% per adjustment. However, based on past market surveys, a cap at this level is unlikely, indicating that, perhaps, the lenders were interpreting an interest rate cap as an implicit payment cap. Therefore, we strongly believe that the payment cap responses are significantly overstated.

We will certainly make every effort to clarify the intent of such questions in future surveys so that we may provide accurate and meaningful information.

INTEREST RATE ADJUSTMENTS

Frequency

While a greater percentage of both servicers and thrifts moved to annual adjustments in comparison to Survey 4 results, the change was particularly drastic for the former group. In June 1983, 69.3% of the mortgage servicers questioned reported adjusting interest rates at five year intervals. The August 1984 results indicate that 77.5% of these lenders have moved to yearly interest rate adjustments on their most frequently used ARM.

For S&Ls, the percentage acknowledging annual adjustments has increased from 64.1% to 74.5%. The only other adjustment periods with any prevalence among either group, regardless of size or

location, are every three years and every six months. The first is most popular in the Northeast (29.1% of the thrifts in that region), and the second is most apt to be used by those thrifts with \$300-999 Million in assets (13.6%).

While most of the lenders surveyed reported using the annual adjustment option on their most frequently used ARM plan, only about 36% of the mortgage servicers and 51% of the S&Ls have actually processed interest rate adjustments on this plan in the last six months. The fact that many lenders have not yet cycled through a single adjustment period is indicative of the relatively recent popularity of plans with such characteristics.

Per Adjustment Caps

Another dramatic change was highlighted by the survey results in the area of interest rate caps. Survey 4 responses indicated that only 4.5% of the mortgage servicers queried offered caps on the interest rate for each adjustment period. One year later, the percentage of lenders in this group offering such caps has jumped to 78.9%.

Although the change for S&Ls is less startling, it nevertheless represents a significant increase from results reported in last summer's survey—from 31.6% to 72.2%. While the smallest lenders are the least apt to offer a per adjustment interest rate cap, the percentage that do is still nearly 69%. Similarly, southern thrifts, about 65% of which have a cap available on the plan they use most often, are the least likely to do so on a regional basis.

Generally, the per adjustment caps offered range from 2% to 2.5%. This category was the overwhelming response of mortgage servicers (89.3%). S&Ls, as a group, also favored the 2-2.5% cap (63.5%), although there were some clear regional variations. For example, in the West, 48.7% of the thrifts surveyed reported a cap of 2% to 2.5% per adjustment on their most often used ARM. This contrasts with their southern counterparts, 78.5% of which prefer a cap in that range. Nearly 30% of the western thrifts offer a 1-1.5% cap—a far greater percentage than S&Ls in the other regions of the country.

Life of Loan Caps

The vast majority of lenders, regardless of classification, also offer a life of loan or term cap on the interest rate for their most frequently used ARM (85.1% of the mortgage servicers, 75.4% of the S&Ls surveyed). The propensity to provide such a cap was directly related to the size of the thrift institution. The smallest S&Ls (less than \$100 Million in assets) were the least likely to provide such a cap (71.7%), while 90.5% of the largest did so. Regional differences were minor.

The lenders participating in the survey were, for the most part, in agreement regarding the level of the cap offered. About 93% of the mortgage servicers and 87% of the S&Ls reported that the cap on the life of the loan most frequently used was 5% or more. North Central institutions were most likely to offer caps of less than 5%, with 14.6% having life caps of 4-4.9%.

INTEREST RATE

The dramatic movement from SFRMs to ARMs may be explained in part by examining the difference between the interest rates on the former versus those currently available (as of August 1984) on the latter. The average interest accrual rate on the ARM most frequently used by participants in Survey 5 ranged from 12.22% to 12.74%. This was considerably lower than the 14%+ rates most typically available on SFRMs. The margin which was reported as being used to derive this initial ARM rate, as well as future rates to be determined at each adjustment date, average between 2.11%

and 2.51%, with some lenders, especially those with assets of less than \$100 Million (23.4%) and those in the Northeast (34.1%), basing their rates directly on the index used, without an added spread.

We believe that the responses provided by participants in this portion of the survey may not fully reflect the level of interest rates that prevailed at the time the survey was conducted. For example, if the margin reported most frequently by mortgage servicers (2.5%) is added to the index based on the 1-year treasury securities adjusted to a constant maturity (11.75% to 12.06% during the last week of July), the resulting undiscounted initial interest rate should be about 14.5%. This is considerably higher than the 13.5% reported most frequently by this group of lenders. The results were similarly inconsistent for S&Ls across all categories. Again, we will endeavor to clarify the intent of these questions in future surveys so that we may report information of the highest quality and greatest value.

Nearly half of the mortgage servicer participants responded that they do offer an interest rate discount feature (teaser rate) on the ARM plan they use most often. However, as a group, only 26.8% of the S&Ls acknowledged providing this feature. This percentage varied considerably by the size of the institution, as more than 51% of the largest thrifts reported having a teaser rate available, compared to only 20.4% of those in the less than \$100 Million category. Geographically, western institutions (41.1%) are much more likely to offer this discount than their counterparts in the rest of the country. For those lenders offering a teaser, the resulting initial rate, after the discount, averages from 11.28% to 11.91%.

UNDERWRITING

The data collected on underwriting guidelines showed the lenders surveyed to be relatively consistent across most categories. The average interest rates used to qualify buyers for the most frequently used ARM plan ranged from 11.68% (for mortgage servicers) to 12.98% (for the smallest S&Ls). Without exception, the most frequently used qualifying ratios were 28% for house payment to total income and 36% for total debt to total income. While the average maximum loan-to-value ratio varied slightly among the participants, the most frequently cited maximum ratio was 90% for all lenders.

DELINQUENCIES AND FORECLOSURES

As noted in the discussion of SFRMs in a previous section, Survey 5 for the first time collected data on delinquencies and foreclosures. Nearly 64% of the mortgage servicers responded that they did not know their current 30-day or more delinquency rate for ARMs. Of the remainder, 16.7% replied that their rate was less than 1%. Of the S&Ls, 23.9% chose the "Do Not Know" category and more than 64% reported delinquencies of less than 1%. The data available on foreclosures were of a similar nature. It is likely that these responses reflect the relative newness of ARMs in most lenders' portfolios, as well as the possible lack of familiarity with this data on the part of some of the respondents. As was seen in the responses to question 35, a majority of mortgage servicers and 46.5% of S&Ls have not yet processed interest rate adjustments on their most frequently used ARM plans. Thus, the holders of such mortgages may not have experienced the possible payment increases or negative amortization that can result from such adjustments, and that are thought to be directly related to the increased likelihood of default.

ARM ORIGATION VOLUME

More than 52% of the mortgage servicers and nearly 69% of the S&Ls surveyed reported that a majority of their conventional loan originations over the last 12 months were ARMs or GPARMs. These figures represent substantial increases over those presented in Survey 4. At that time (June 1983), 67.1% of the servicers acknowledged that less than 25% of their originations were of the adjustable type. Only 7% responded similarly in Survey 5.

PORTFOLIO ORIGINATIONS AND SECONDARY MARKET SALES

The distribution of ARMs being originated for an internal portfolio and those being sold changed only slightly from Survey 4 to Survey 5. However, a greater percentage of both mortgage servicers and thrifts originate ARM products for their own portfolios than originate SFRMs for internal investment. The largest S&Ls and those located in the western region are the least likely to originate such loans for their own portfolios (62.5% and 55.5% respectively). In contrast to SFRM sales, most lenders (servicers and thrifts alike) sell their adjustable products to private investors rather than to Fannie Mae or Freddie Mac.

BALLOON MORTGAGES

AVAILABILITY

A comparison of Survey 4 with Survey 5 data indicates that balloon mortgages have declined in popularity over the past year. The percentage of mortgage servicers offering these loans has declined from 49% to 23.3%, while only 34.8% of the thrifts make balloons available compared to 40.7% in Survey 4. S&Ls in the North Central region and in the West are more likely to offer these mortgages than their counterparts in the Northeast and the South (43% compared to 27%).

REFINANCING

The availability of guaranteed refinancing has changed very little from the results reported in Survey 4. Nearly 30% of the mortgage servicers and 37.3% of the S&Ls, as a group, guarantee refinancing at the time of renewal if the borrower qualifies under the new terms.

ORIGATION VOLUME

The percentage of conventional loan originations that are balloon mortgages is small compared to the mortgage types already discussed. About 82% of the mortgage servicers and 69% of the S&Ls reported that less than 10% of their conventional originations during the last 12 months have been balloons. Thrifts located in the western part of the country are the least likely to originate such loans (92.6% originated less than 10%), while 22.7% of the North Central lenders had balloon originations that accounted for more than 50% of their total volume.

GROWING EQUITY MORTGAGES

AVAILABILITY

The percentage of survey participants offering fixed-rate adjustable payment mortgages or growing equity loans such as GEMs declined from Survey 4 results. Only 7.6% of the S&Ls and 38.4% of the mortgage servicers interviewed made GEMs available to the home buyer. The probability of a thrift offering such a loan was directly related to the asset base of the institution, with 6.4% of the smallest lenders and 18.5% of the largest acknowledging the availability of GEMs.

PAYMENT INCREASE

While an annual payment increase of 5-7.5% was most popular among mortgage servicers, S&Ls, as a group, preferred increases of 2.5% to 4.9%. The larger thrifts reported larger annual payment increases on their GEM-type loans.

ORIGINATION VOLUME

GEM loans represent the smallest percentage of the survey participants' origination volume. Almost 93% of the mortgage servicers reported that GEMs account for less than 5% of their total conventional mortgage volume, as did 75% of the S&Ls surveyed. Such loans appear to be most popular in the Northeast, where 90.8% responded that GEMs account for more than 9% of their originations.

MORTGAGE PURCHASES

Although those mortgage servicers with portfolio investments continue to prefer SFRMs for their own purchases (43.9%), S&Ls across the board have switched to ARMs and, as a group, 23.4% purchase this type of mortgage. This is especially true for the largest thrifts, 47.4% of which buy ARMs for their own portfolios. Next in order of preference was GPARMs, purchased by 30.1% of the mortgage servicers and 11% of the S&Ls.

SECOND MORTGAGES

The breakdown of lenders offering second mortgages is little changed from that reported in Survey 4. While the percentage of mortgage servicers offering these loans has decreased slightly (from 51% to 43.8%), the percentage of S&Ls making them available increased from 77.7% to 83%. Western thrifts were the most likely by far to offer second mortgages to the consumer (97.6%).

PRIVATE MORTGAGE INSURANCE

Mortgage servicers were far more likely to insure their conventional residential business with private mortgage insurance companies than were S&Ls. Nearly 33% of the servicers questioned reported that over 80% of their business is covered in this manner, compared to 7.04% of the thrifts. While only 20% of the thrifts insure 50% or more of their conventional business, the comparable percentage for mortgage servicers is nearly 70%.

SUMMARY OF STANDARD FNMA/FHLMC ARM PLANS

Plan	Interest Rate Index	Interest Rate Adjust. Period	Payment Adjust. Period	Maximum Interest Rate Adjust.	Maximum Payment Adjust.	Maximum Negative Amortization	Permanent Buydown Permissible ¹	Temporary Buydown Permissible ²
1-Year FHLMC ARM	One-Year Treasury Constant Maturity	1 Year	1 Year	None	*7.5% Per Year	#125%	No	No
3-Year FHLMC ARM	Three-Year Treasury Constant Maturity	3 Years	3 Years	None	*7.5% Per Year	#125%	No	Yes
5-Year FHLMC ARM	Five-Year Treasury Constant Maturity	5 Years	5 Years	None	*7.5% Per Year	#125%	No	Yes
1-Year FNMA ARM	One-Year Treasury Constant Maturity	1 Year	1 Year	None	*7.5% Per Year	125%	Yes	No
3-Year FNMA ARM	Three-Year Treasury Constant Maturity	3 Years	3 Years	None	*7.5% Per Year or 15% Over 2 Yrs.	125%	Yes	Yes
5-Year FNMA ARM	Five-Year Treasury Constant Maturity	5 Years	5 Years	None	*7.5% Per Year or 15% Over 2 Yrs.	125%	Yes	Yes
1-Year FNMA GPARM	One-Year Treasury Constant Maturity	1 Year	1 Year	None	**7.5% Per Year	125%	Yes	No
3-Year FNMA GPARM	Three-Year Treasury Constant Maturity	3 Years	1 Year During First 3 Years, Every 3 Years Thereafter	None	**7.5% Per Year or 15% Over 2 Yrs.	125%	Yes	Yes
5-Year FNMA GPARM	Five-Year Treasury Constant Maturity	5 Years	1 Year During First 5 Years, Every 5 Years Thereafter	None	***7.5% Per Year or 15% Over 2 Yrs.	125%	Yes	Yes

* Borrower's option

** Borrower's option after year 3. Payments would then continue to increase by 7.5% per year until fully amortizing level reached.

*** Borrower's option after year 5. Payments would then continue to increase by 7.5% per year until fully amortizing level reached.

For optional payment cap loans only.

¹and² —For specific buydown requirements, consult FNMA & FHLMC Guides.

**GENERAL ELECTRIC MORTGAGE
INSURANCE COMPANIES**

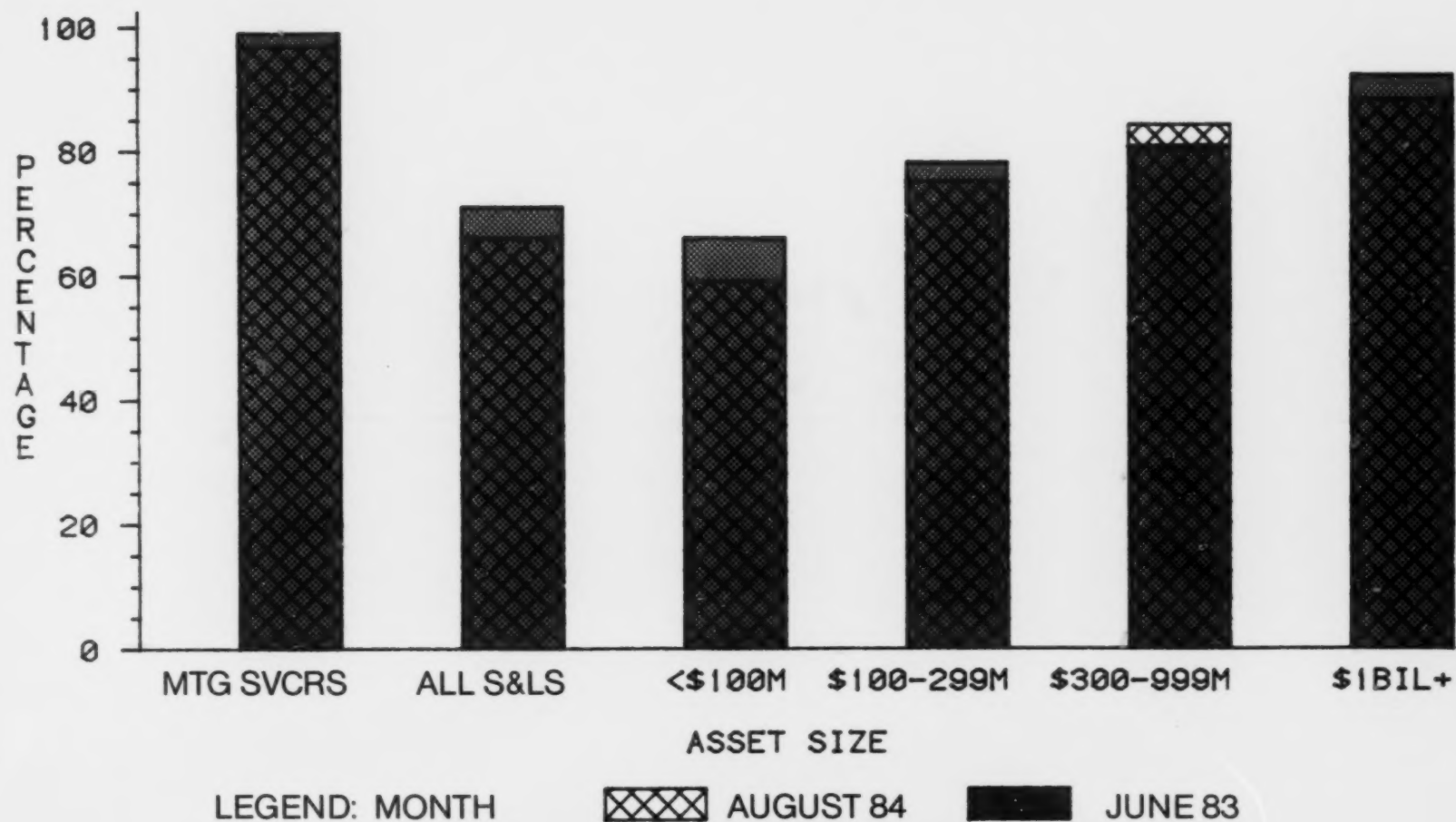
SURVEY NUMBER 5

**GRAPHS OF
KEY QUESTIONS**



FIXED RATE MORTGAGES

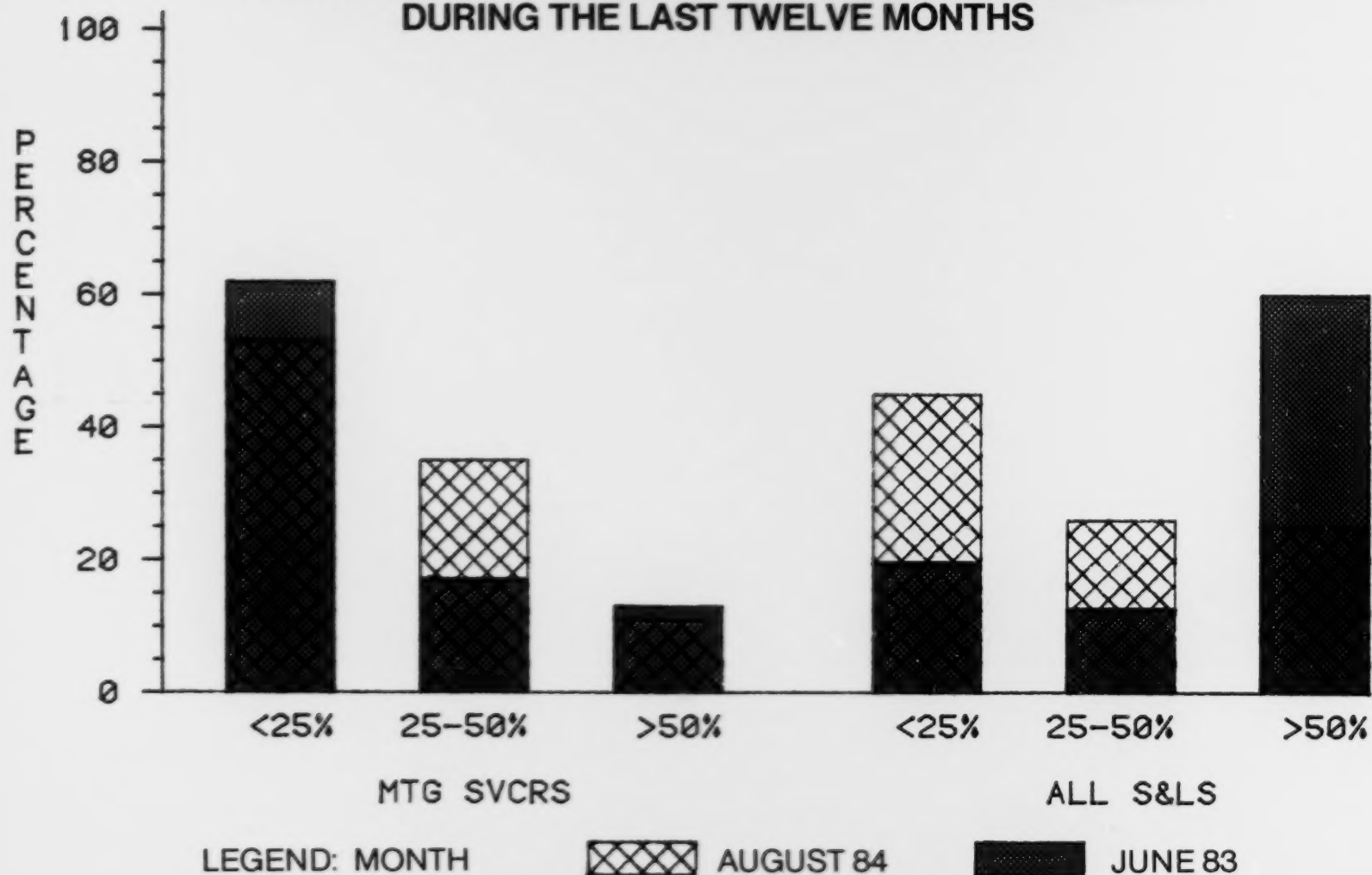
PERCENTAGE OF SURVEYED LENDERS OFFERING CONVENTIONAL FIXED RATE MORTGAGES



This graph represents data related to survey question number 2

FIXED RATE MORTGAGE DISTRIBUTION

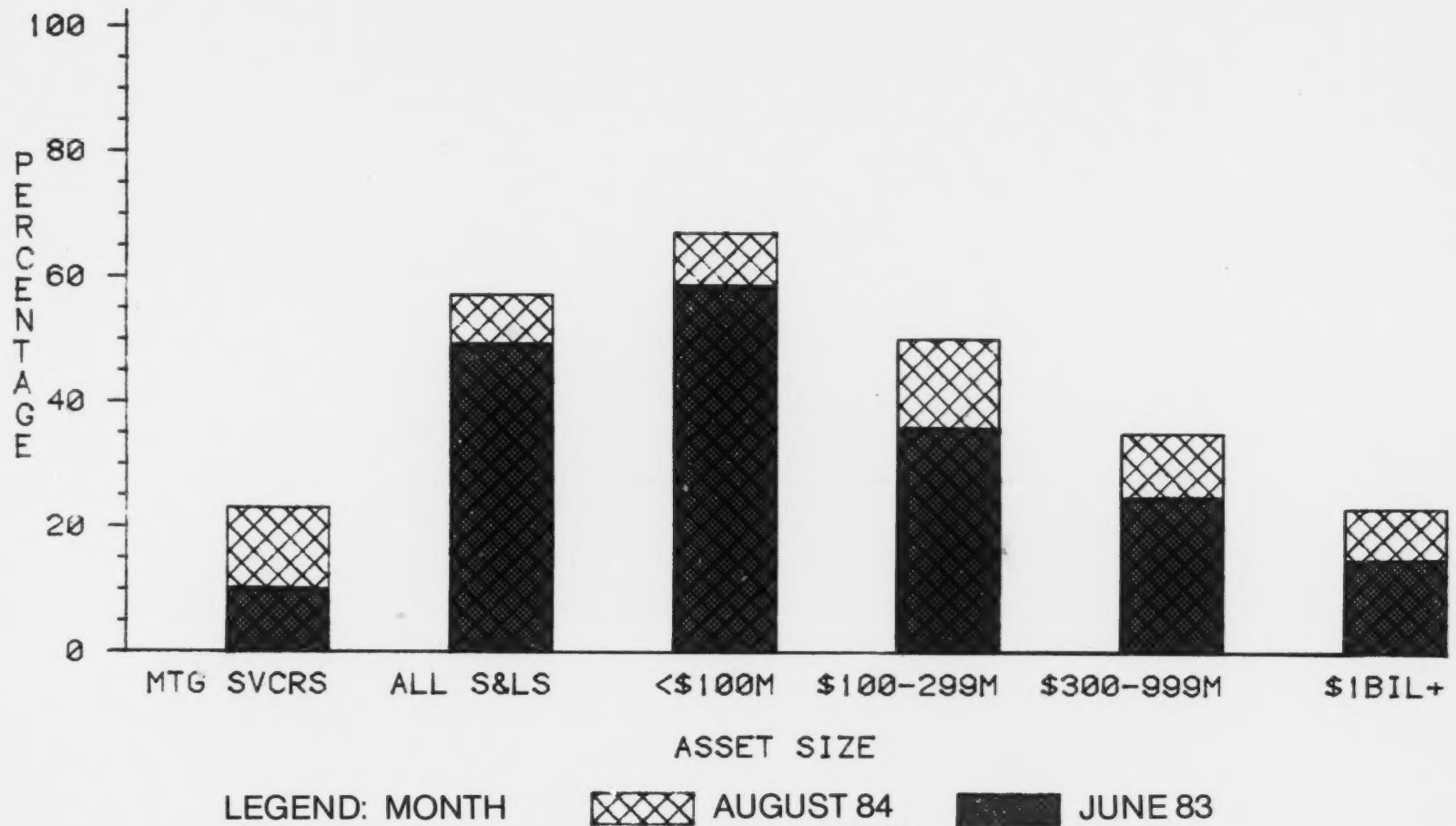
CONVENTIONAL FIXED RATE MORTGAGES AS A
PERCENTAGE OF TOTAL CONVENTIONAL ORIGINATIONS
DURING THE LAST TWELVE MONTHS



This graph represents data related to survey question number 5

PORTFOLIO FIXED RATE MORTGAGES

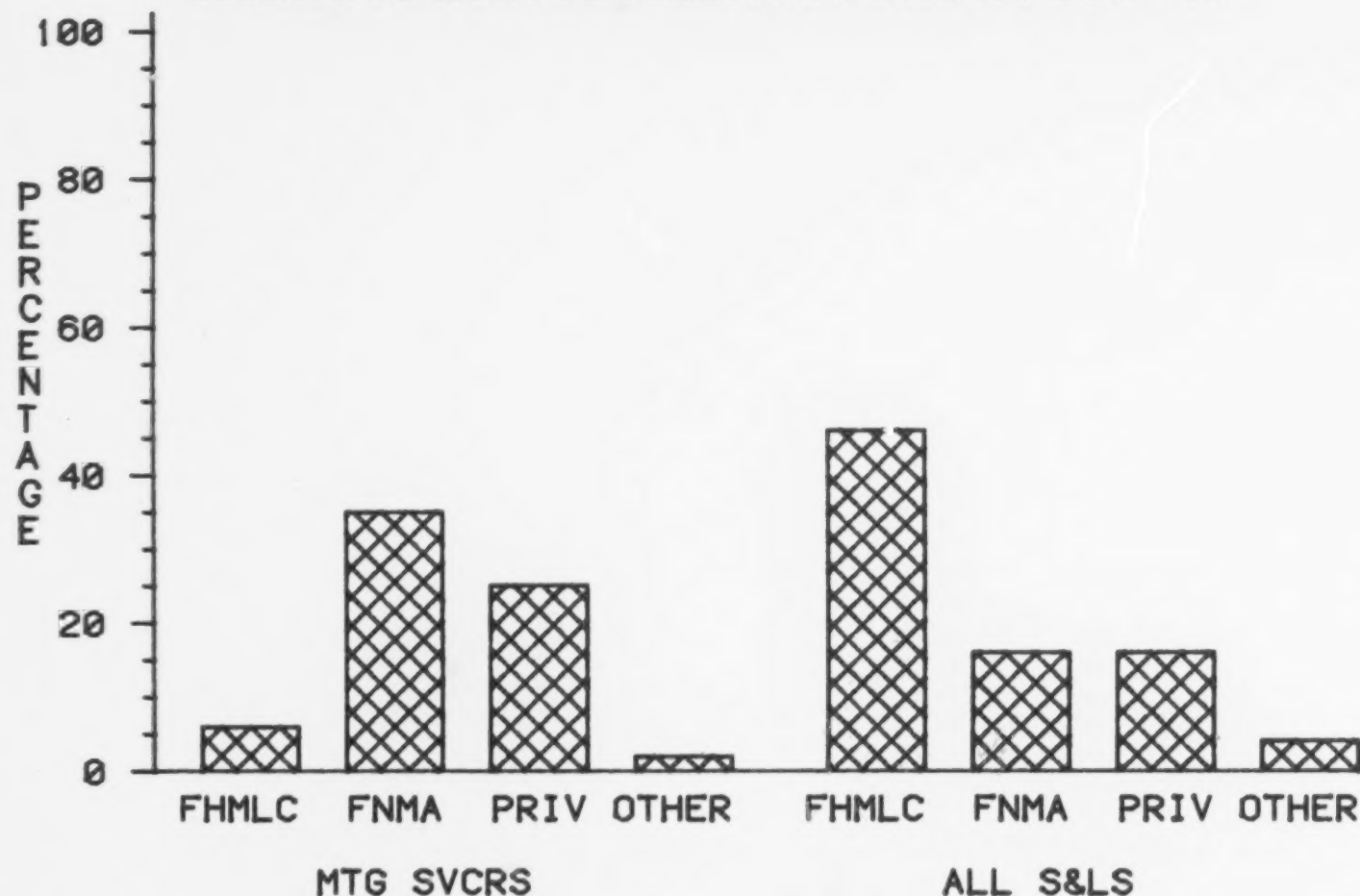
PERCENTAGE OF FIXED RATE MORTGAGE LENDERS ORIGINATING FOR THEIR PORTFOLIO



This graph represents data related to survey question number 6

FIXED RATE SECONDARY MARKET

PERCENTAGE OF FIXED RATE MORTGAGE LENDERS SELLING TO VARIOUS SECONDARY MARKET OUTLETS



LEGEND: MONTH

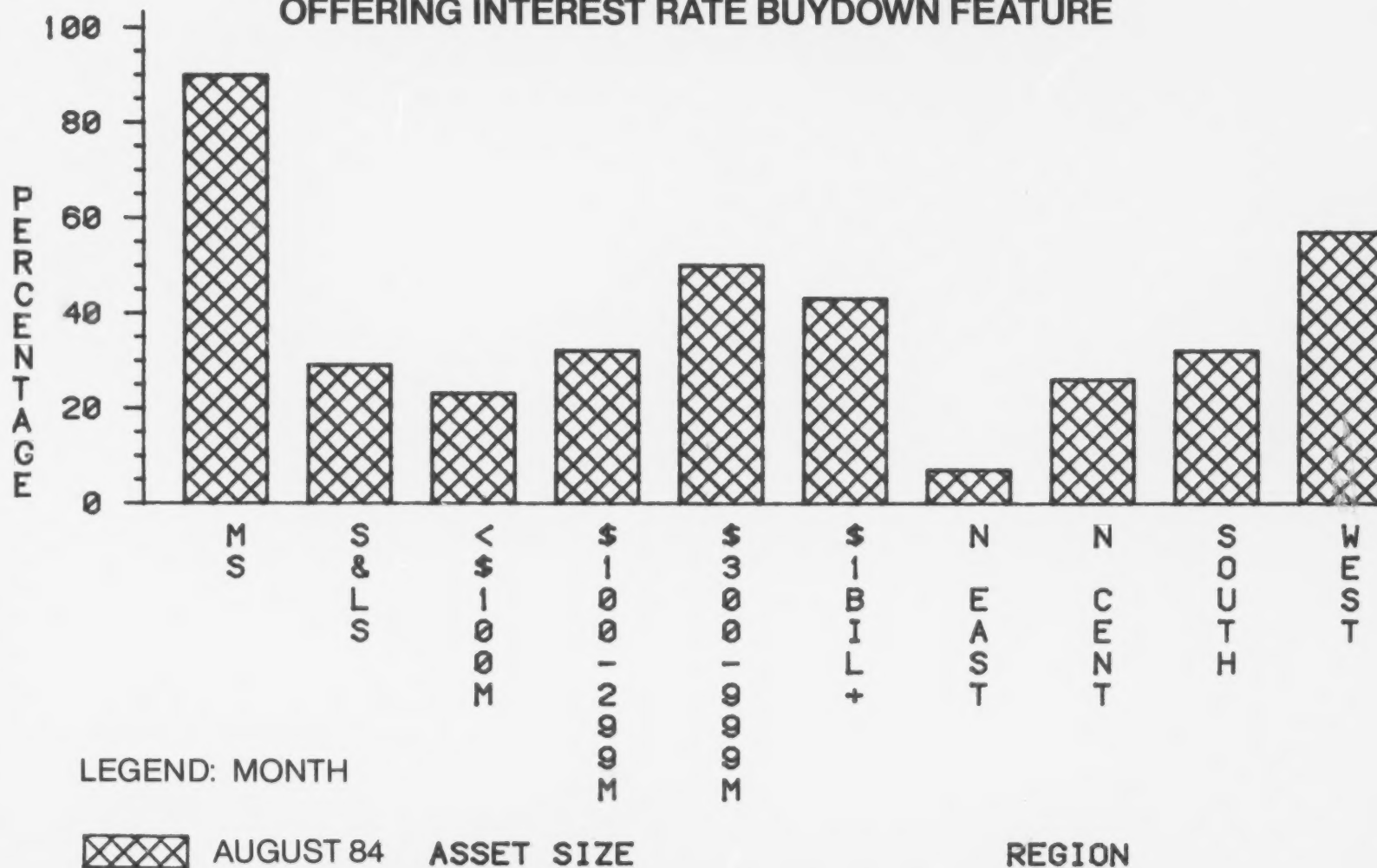


AUGUST 84

This graph represents data related to survey question number 7

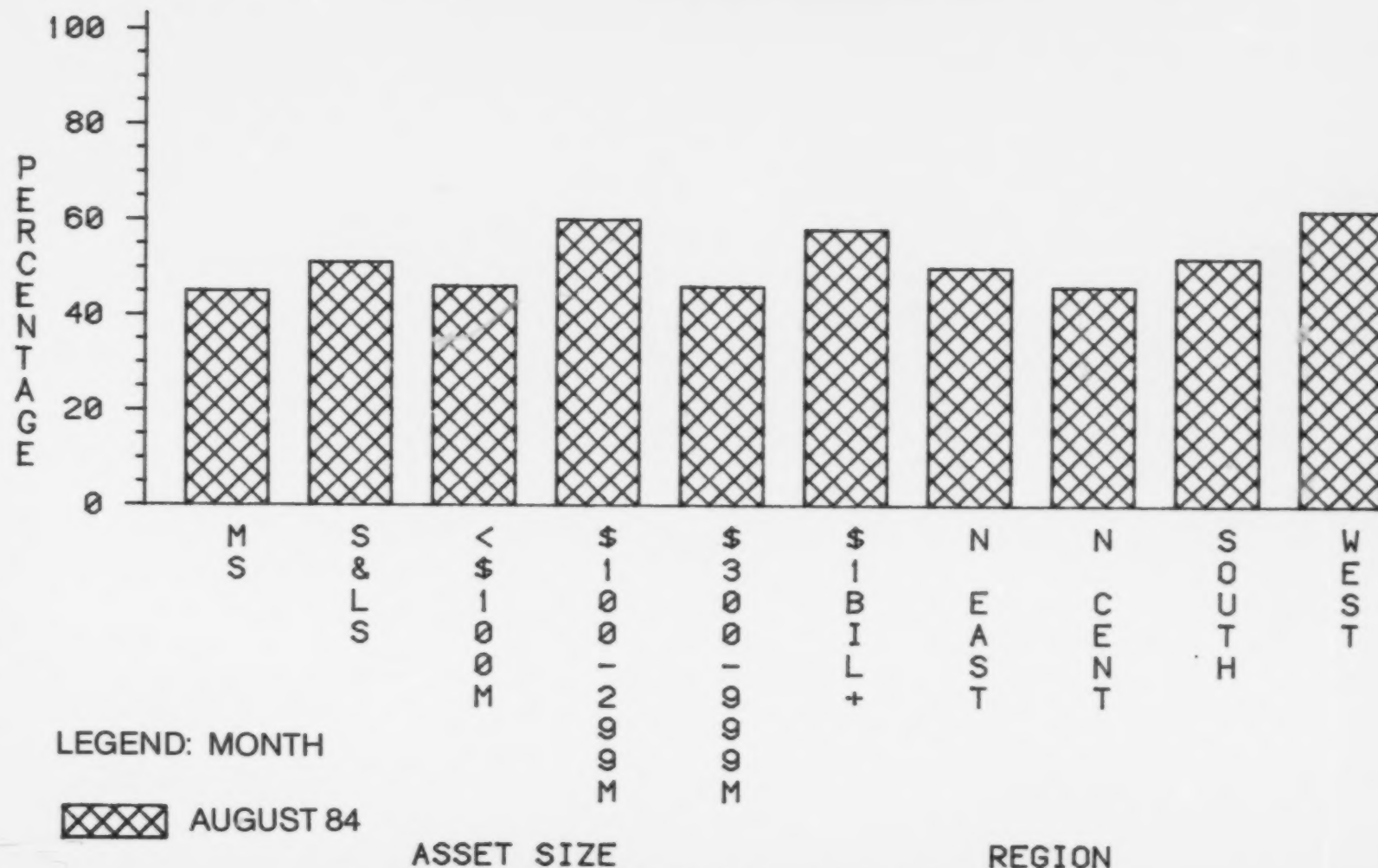
INTEREST RATE BUYDOWN ON FIXED RATE MORTGAGE

PERCENTAGE OF FIXED RATE MORTGAGE LENDERS
OFFERING INTEREST RATE BUYDOWN FEATURE



This graph represents data related to survey question number 9

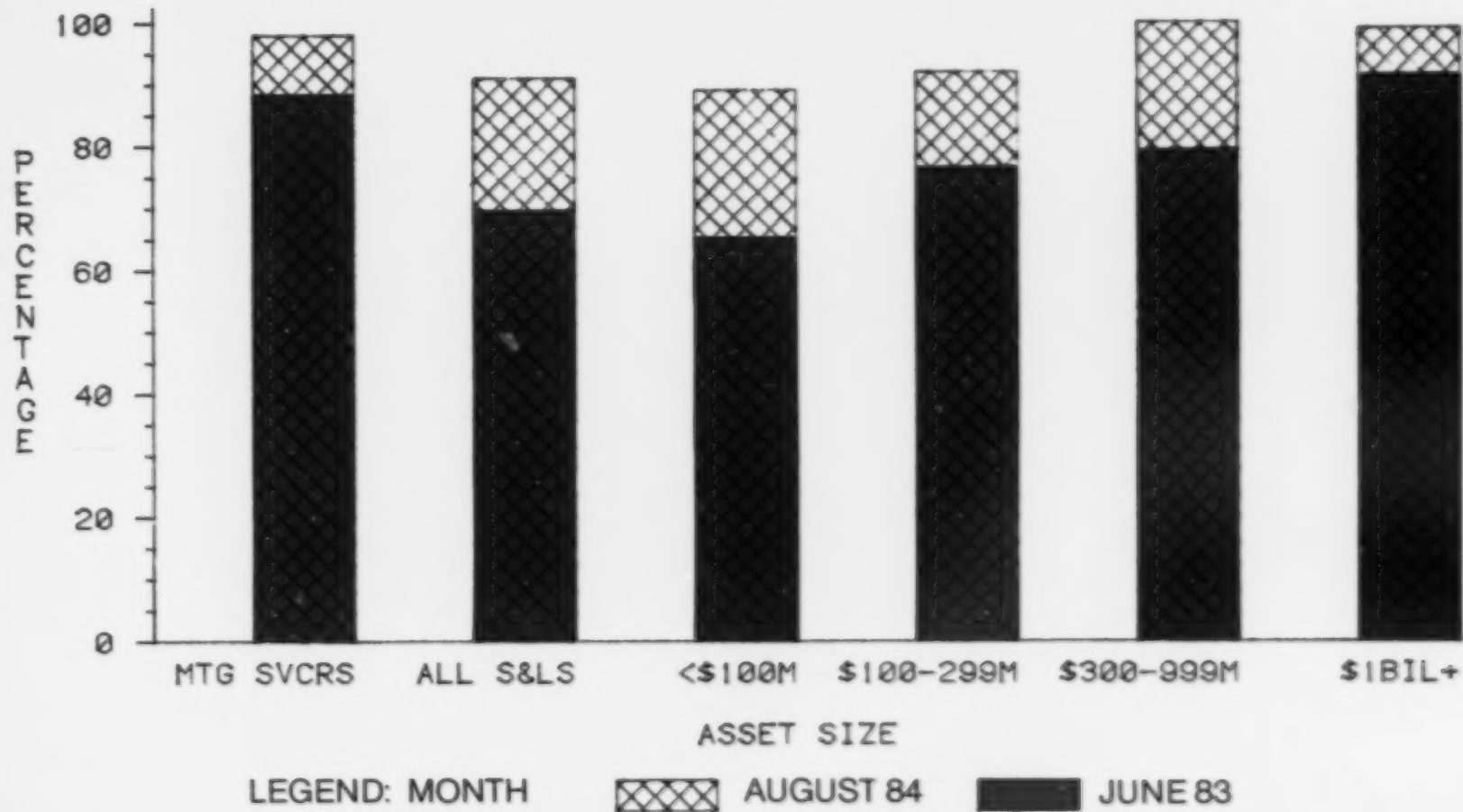
DEEMPHASIZING FIXED RATE MORTGAGES IN FAVOR OF INCREASING ADJUSTABLE MORTGAGE VOLUME IN THE NEXT TWELVE MONTHS



This graph represents data related to survey question number 11

ADJUSTABLE RATE MORTGAGES

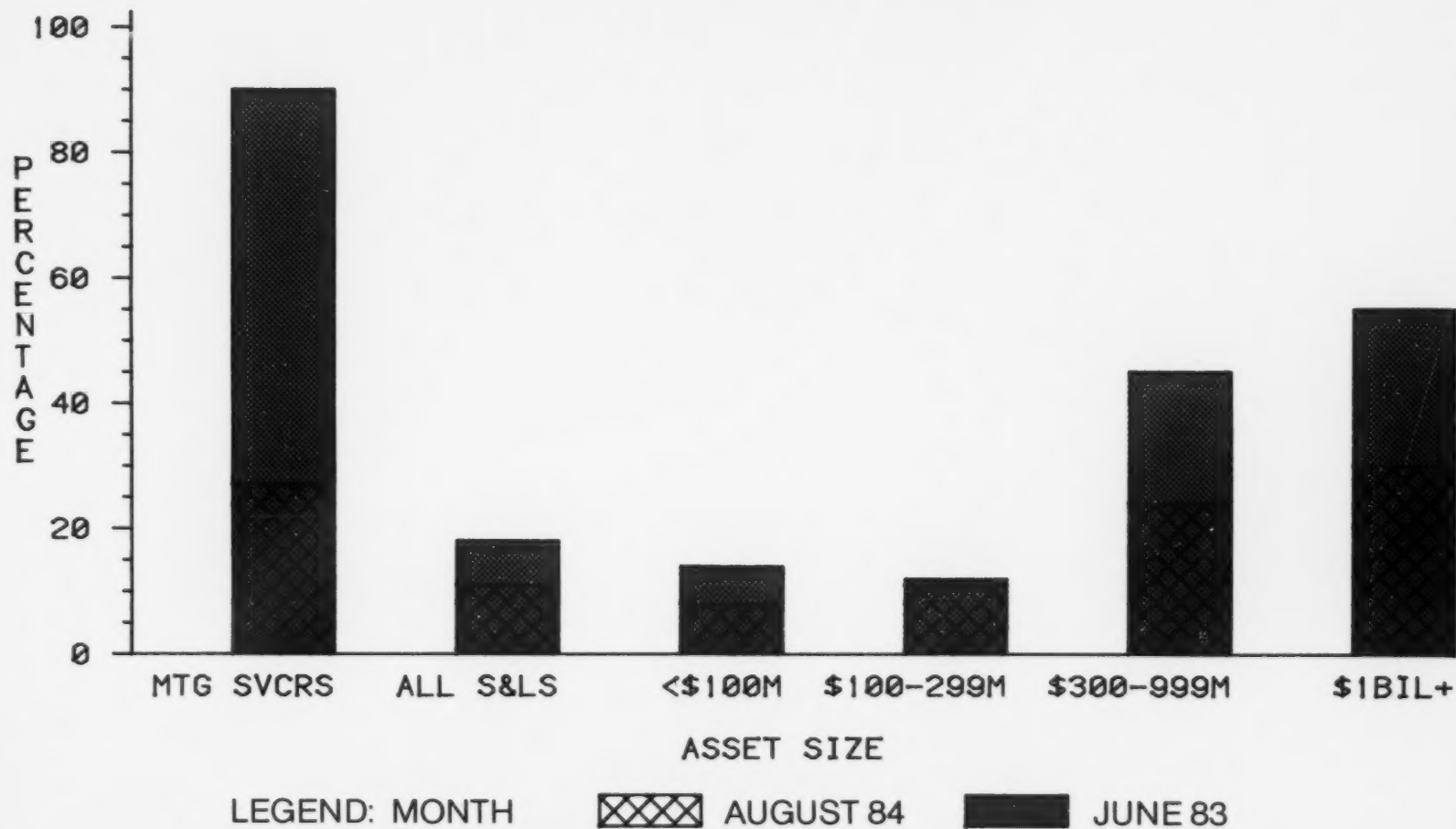
PERCENTAGE OF SURVEYED LENDERS
OFFERING ADJUSTABLE RATE MORTGAGES



This graph represents data related to survey question number 15

NEGATIVE AMORTIZATION

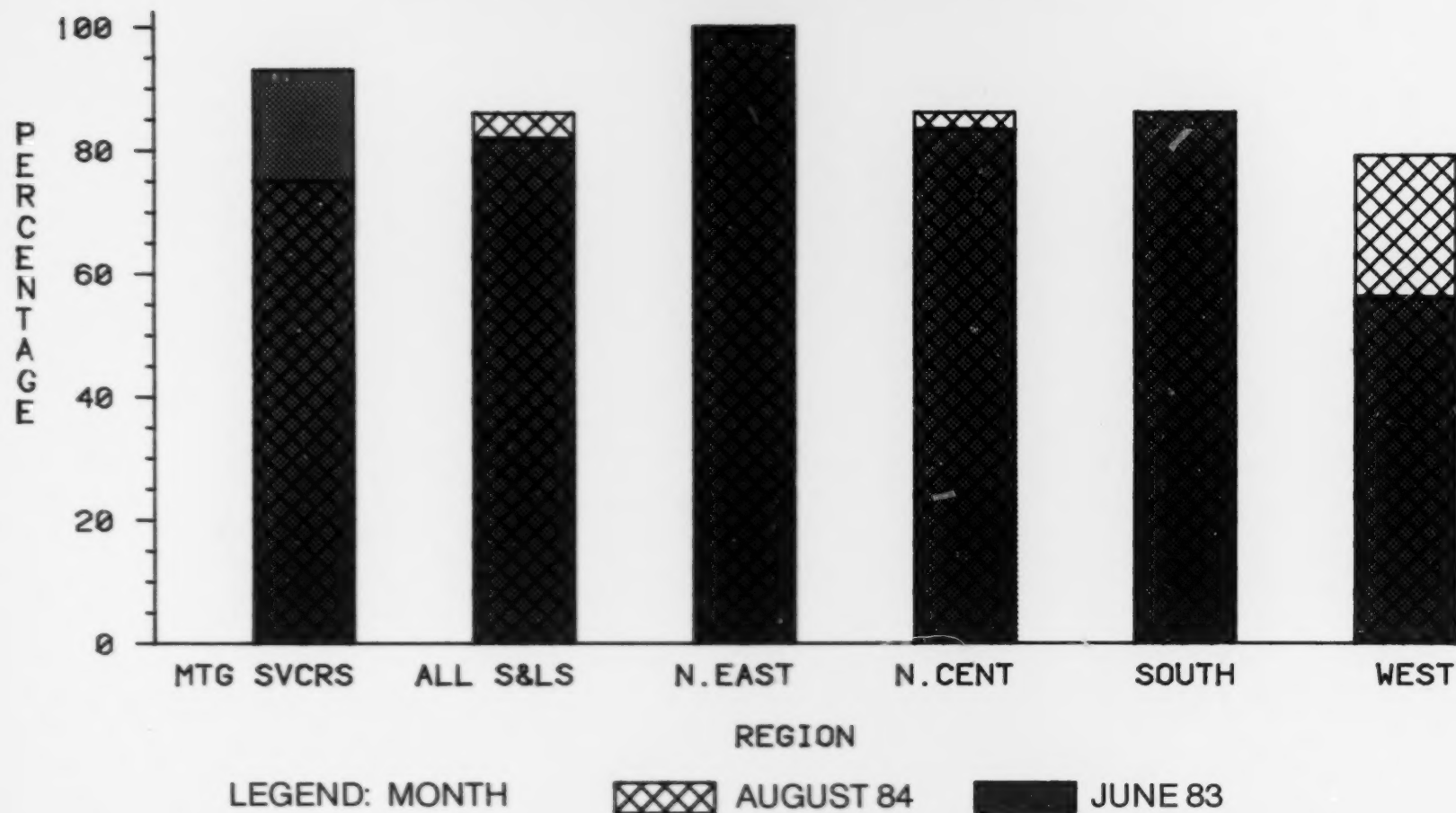
PERCENTAGE OF ARM LENDERS ALLOWING NEGATIVE AMORTIZATION In Their Most Frequently Used Plan



This graph represents data related to survey question number 19

CAP ON NEGATIVE AMORTIZATION

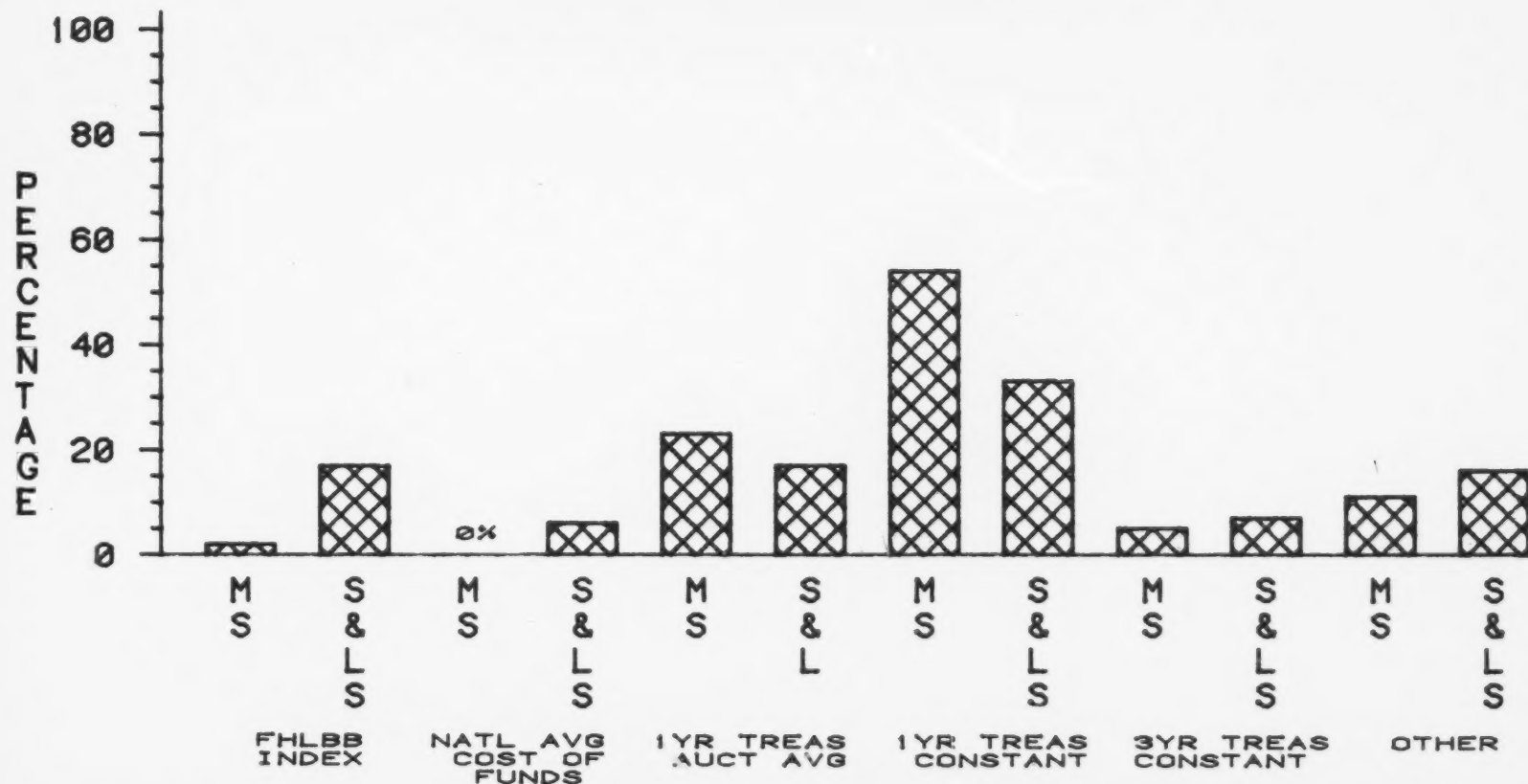
PERCENTAGE OF ARM LENDERS
PLACING A CAP ON NEGATIVE AMORTIZATION
In Their Most Frequently Used Plan



This graph represents data related to survey question number 20

INDEXES USED

PERCENTAGE OF ARM LENDERS USING VARIOUS TYPES OF INDEXES In Their Most Frequently Used Plan



LEGEND: MONTH

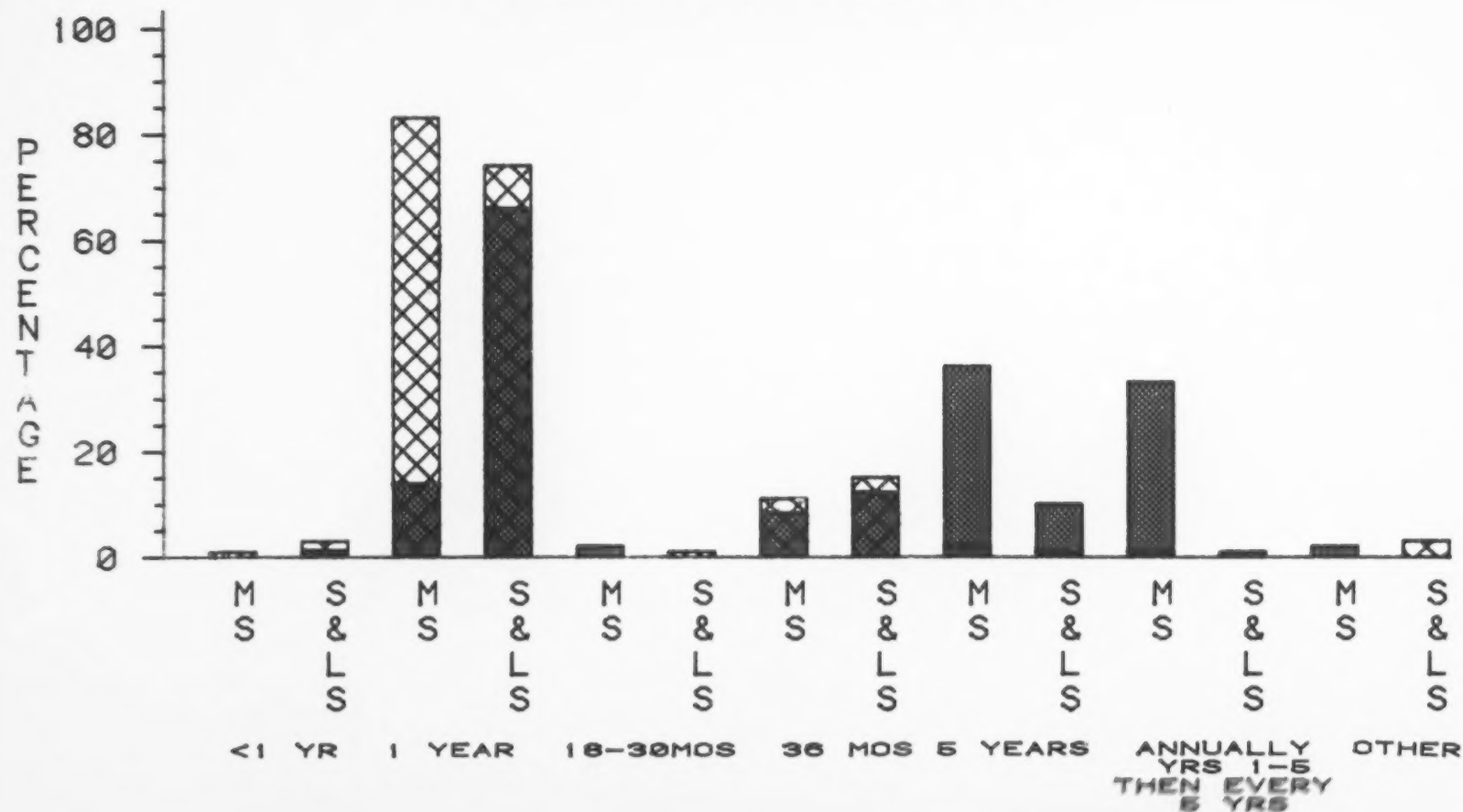
AUGUST 84

This graph represents data related to survey question number 22

PAYMENT ADJUSTMENT PERIOD

PERCENTAGE OF ARM LENDERS USING
VARIOUS PAYMENT ADJUSTMENT PERIODS

In Their Most Frequently Used Plan



LEGEND: MONTH



AUGUST 84

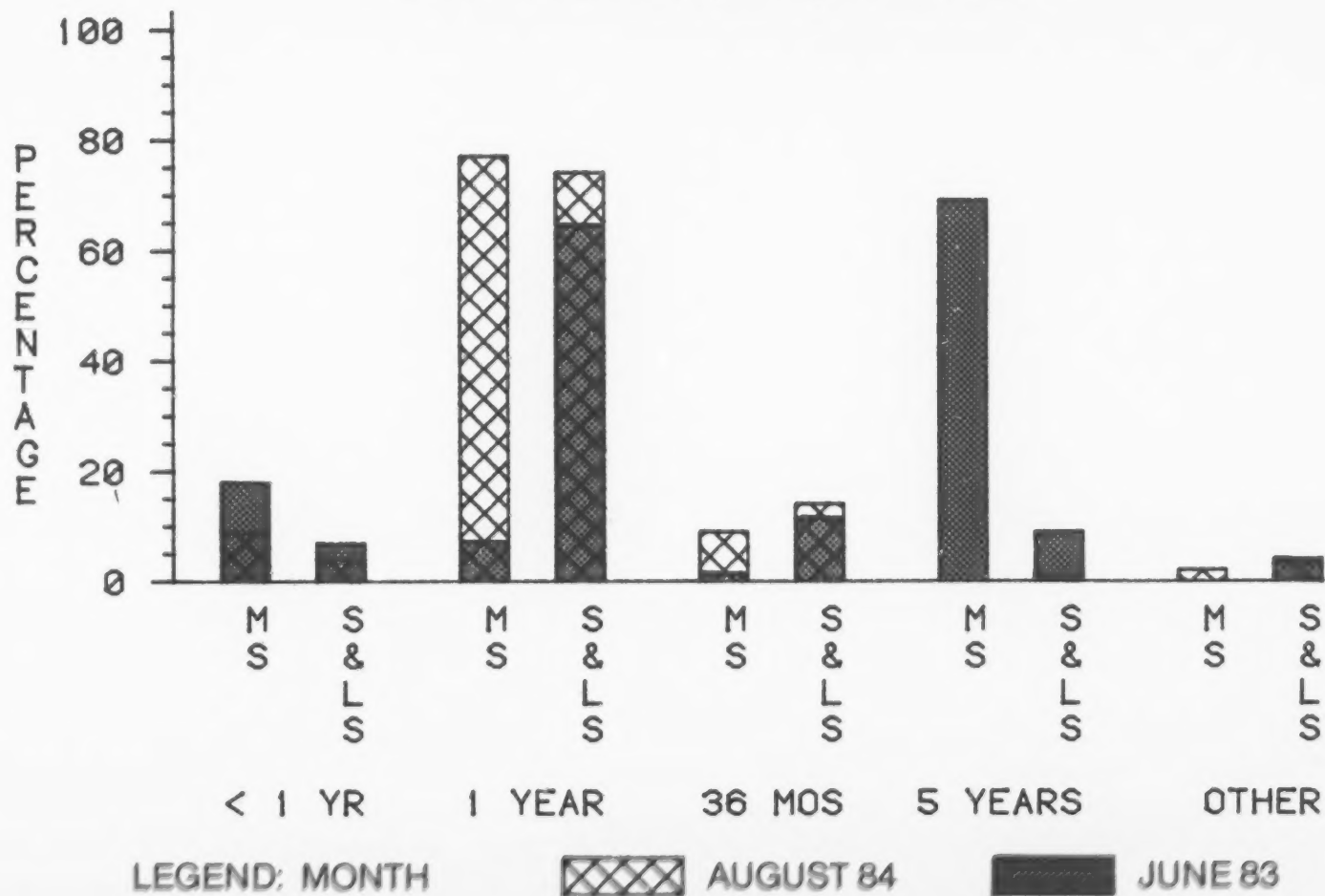


JUNE 83

This graph represents data related to survey question number 23

INTEREST ADJUSTMENT PERIOD

PERCENTAGE OF ARM LENDERS USING VARIOUS INTEREST RATE ADJUSTMENT PERIODS In Their Most Frequently Used Plan

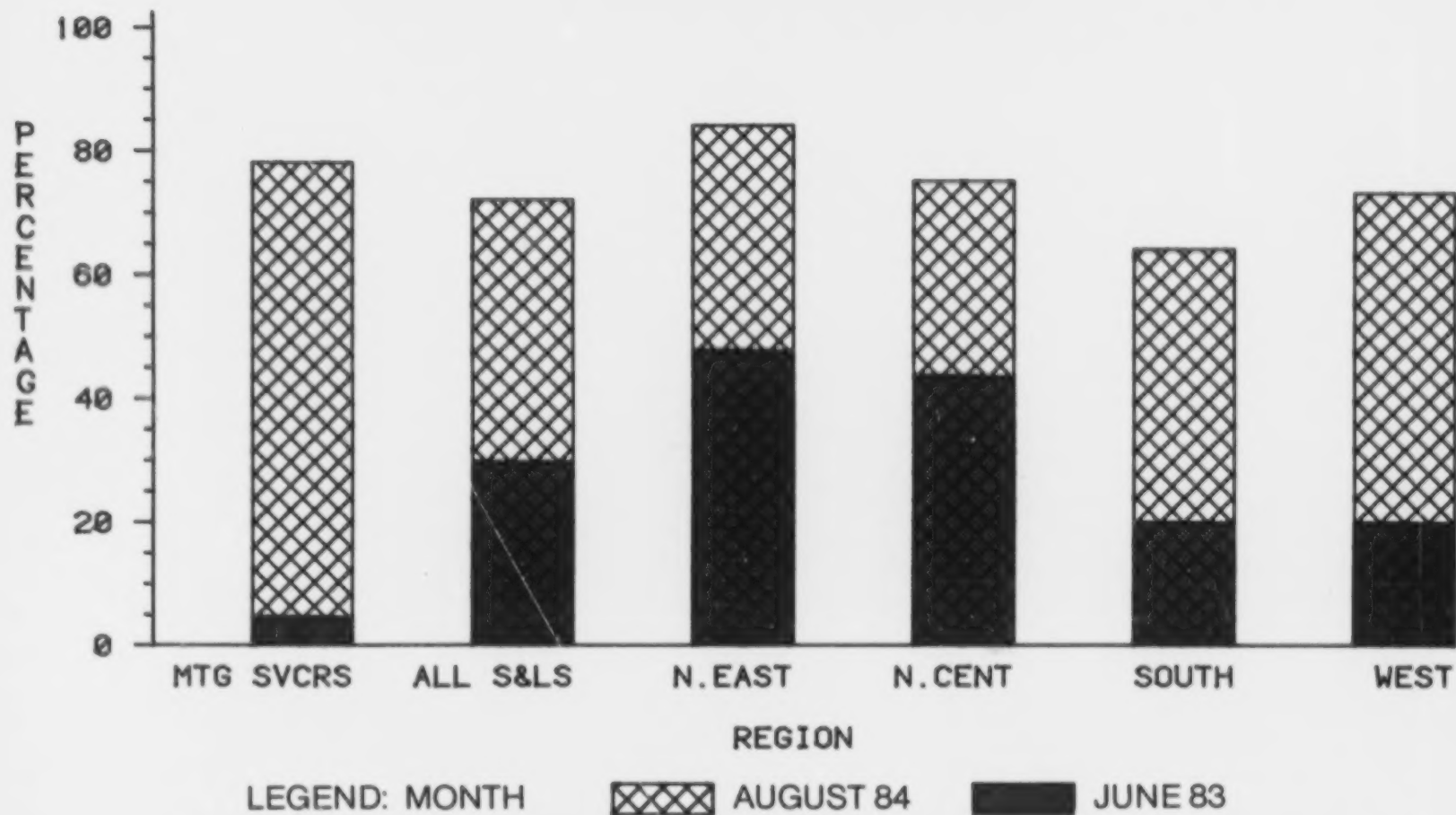


This graph represents data related to survey question number 28

PER ADJUSTMENT INTEREST RATE CAP

PERCENTAGE OF ARM LENDERS WITH A CAP ON INTEREST RATE INCREASES ALLOWED FOR EACH ADJUSTMENT PERIOD

In Their Most Frequently Used Plan

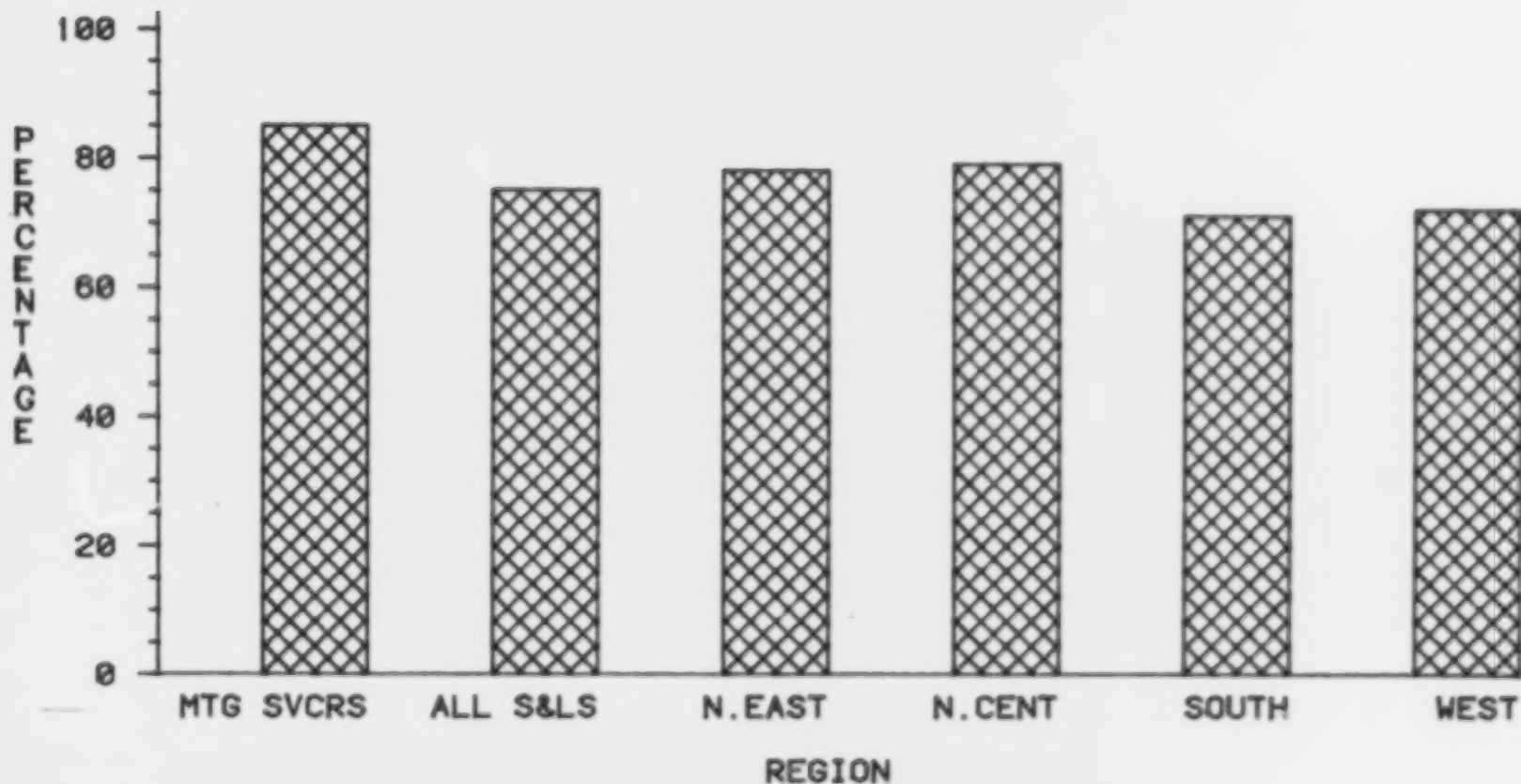


This graph represents data related to survey question number 29

LIFE OF LOAN INTEREST RATE CAP

PERCENTAGE OF ARM LENDERS WITH A CAP ON INTEREST RATE
INCREASES ALLOWED OVER THE LIFE OF THE LOAN

In Their Most Frequently Used Plan



LEGEND: MONTH

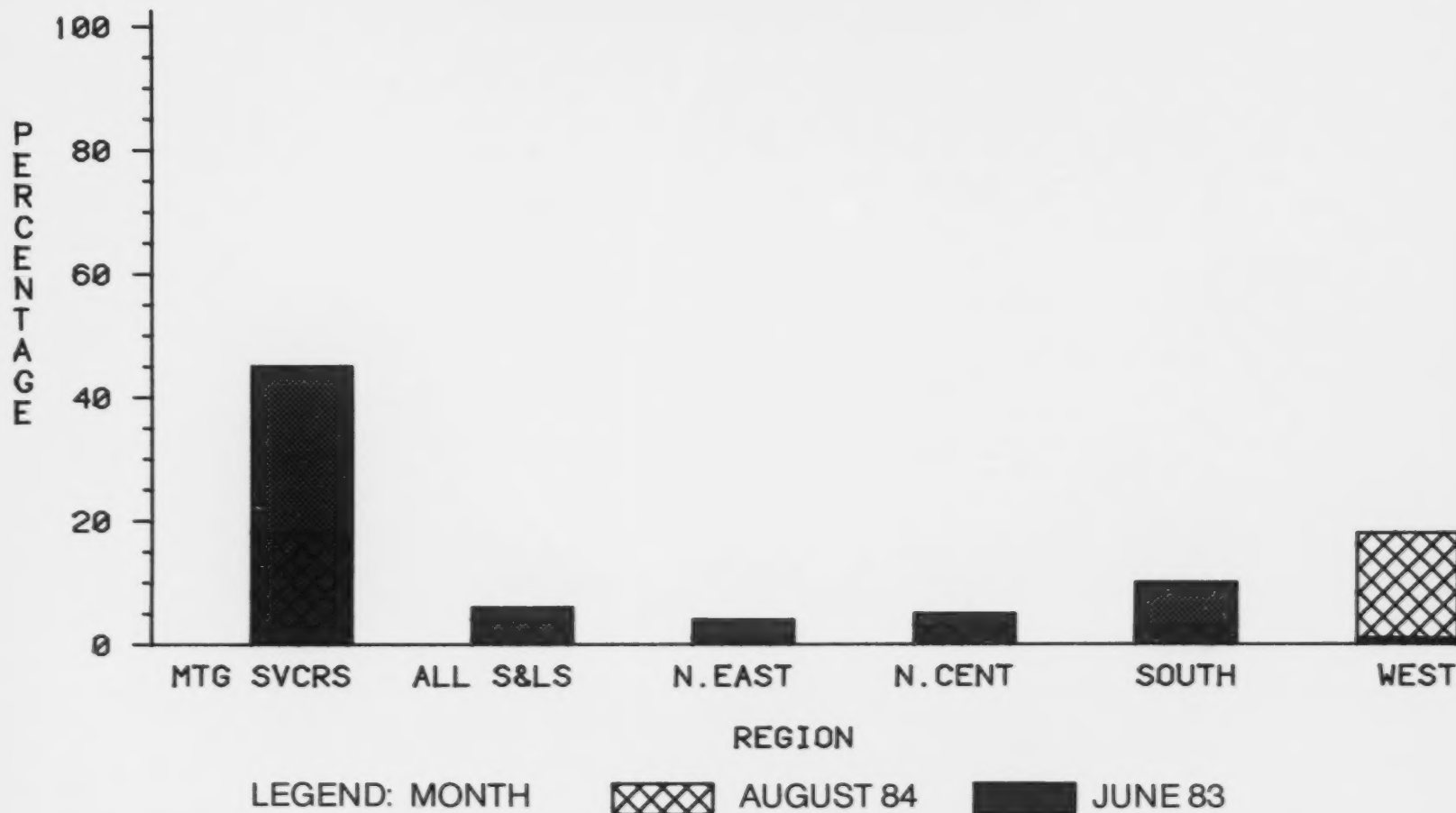


AUGUST 84

This graph represents data related to survey question number 32

GRADUATED PAYMENT FEATURE

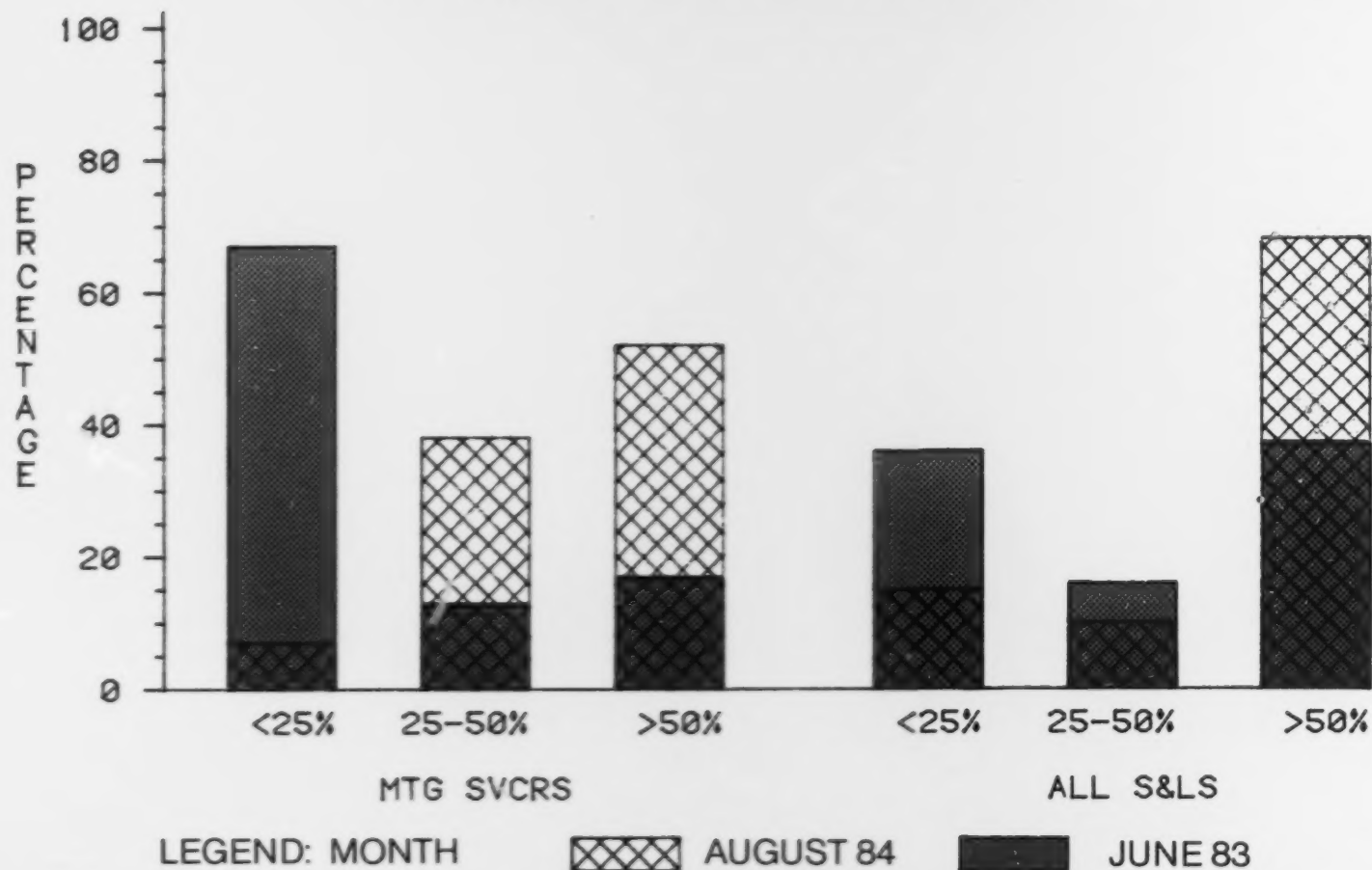
PERCENTAGE OF ARM LENDERS
OFFERING A GRADUATED PAYMENT FEATURE
In Their Most Frequently Used Plan



This graph represents data related to survey question number 33

ADJUSTABLE RATE MORTGAGE DISTRIBUTION

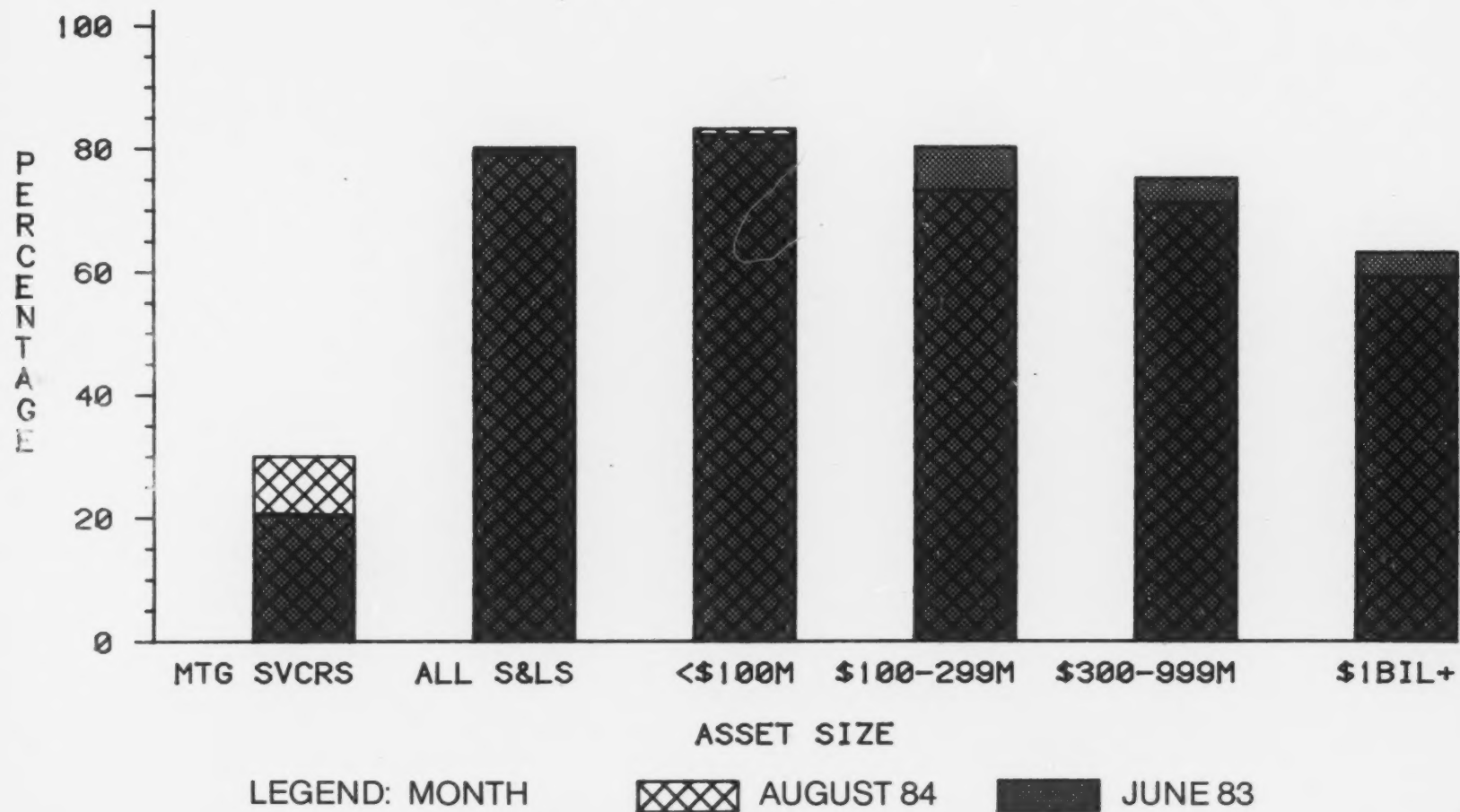
ADJUSTABLE RATE MORTGAGES AS A
PERCENTAGE OF TOTAL CONVENTIONAL ORIGINATIONS
DURING THE LAST TWELVE MONTHS



This graph represents data related to survey question number 47

PORTFOLIO ADJUSTABLE RATE MORTGAGES

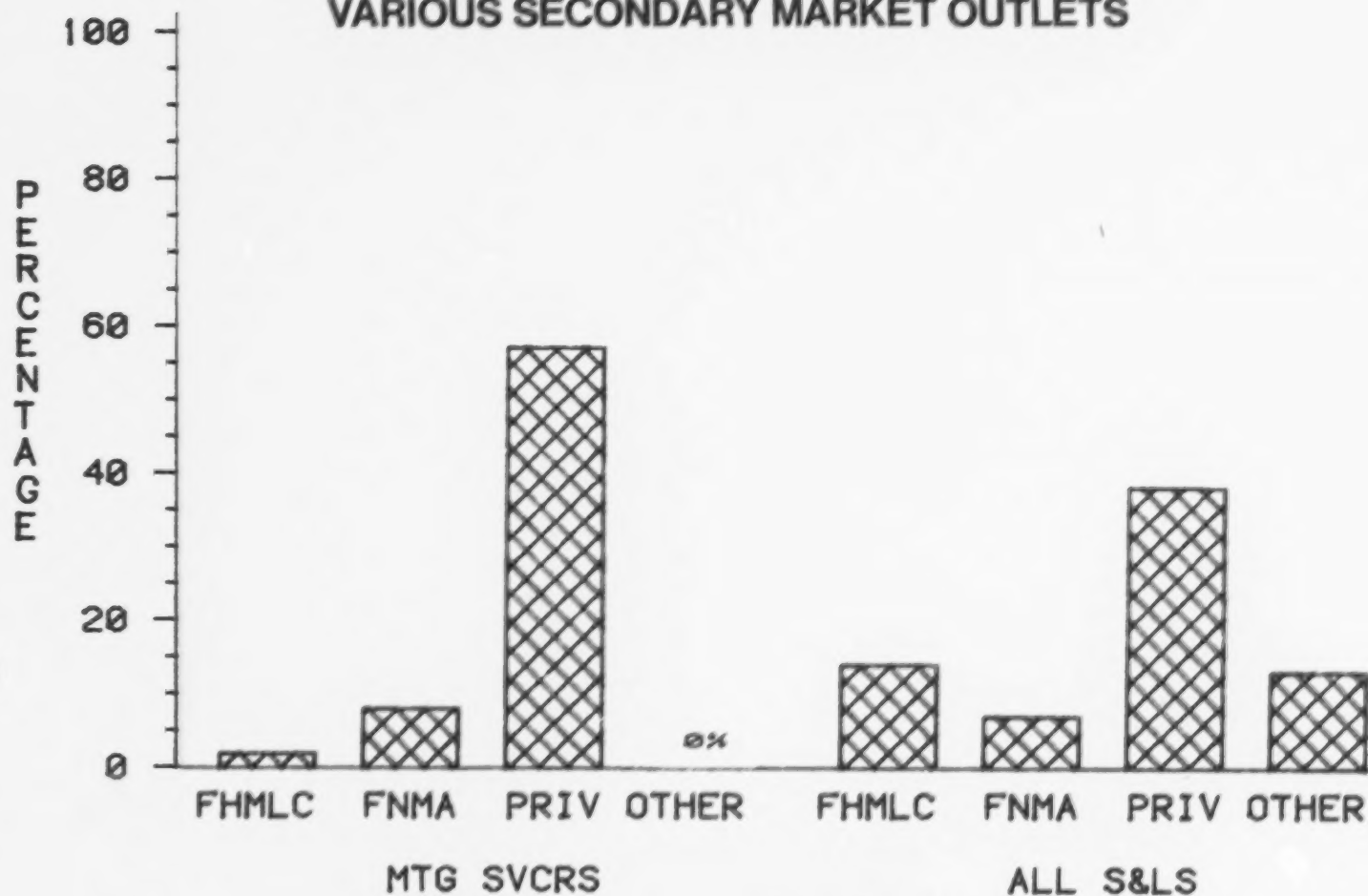
PERCENTAGE OF ADJUSTABLE RATE MORTGAGE LENDERS
ORIGINATING FOR THEIR PORTFOLIO



This graph represents data related to survey question number 48

ADJUSTABLE RATE MORTGAGE SECONDARY MARKET

PERCENTAGE OF ARM LENDERS SELLING TO
VARIOUS SECONDARY MARKET OUTLETS



LEGEND: MONTH



AUGUST 84

This graph represents data related to survey question number 49

BALLOON MORTGAGES

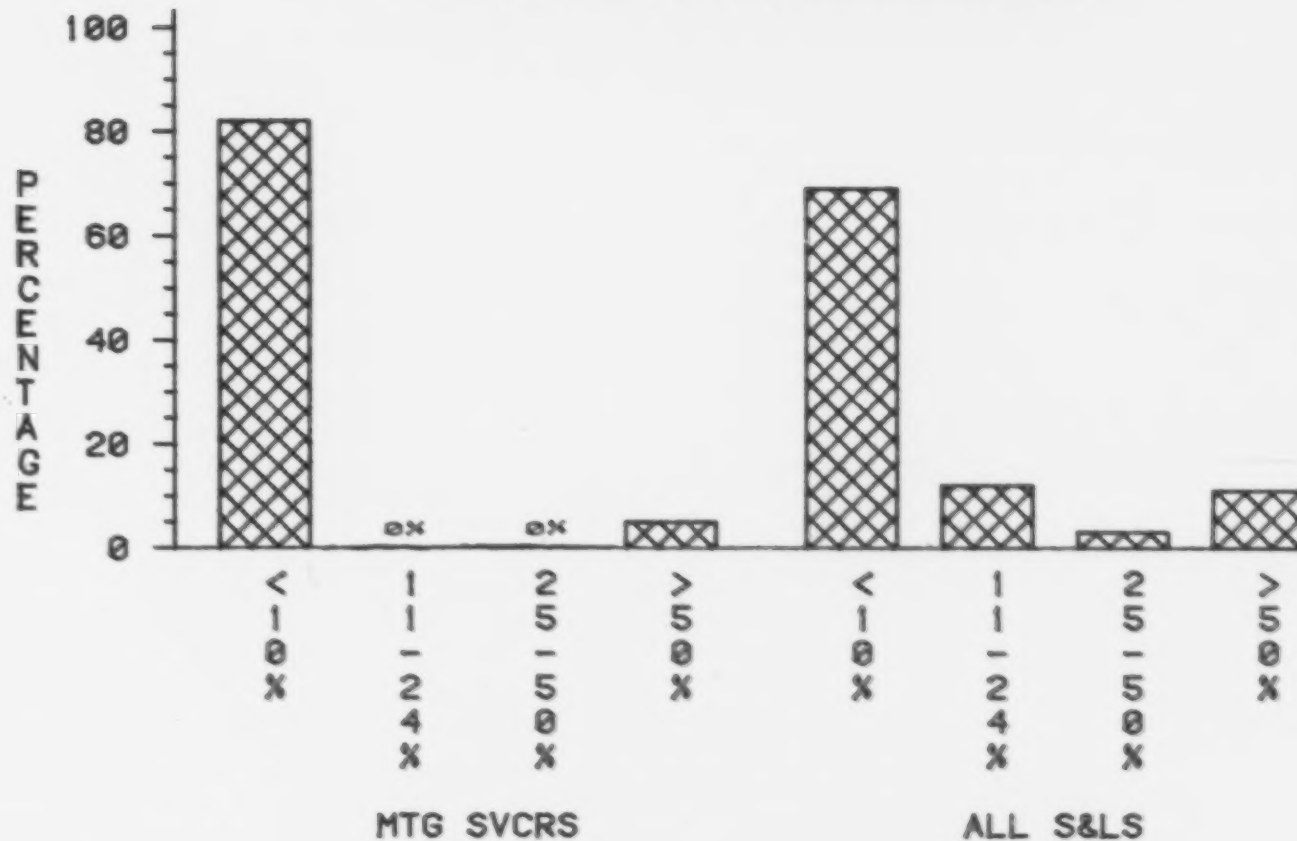
PERCENTAGE OF SURVEYED LENDERS OFFERING BALLOON MORTGAGES



This graph represents data related to survey question number 50

BALLOON DISTRIBUTION

BALLOON MORTGAGES AS A PERCENTAGE OF TOTAL CONVENTIONAL ORIGINATIONS DURING THE LAST TWELVE MONTHS



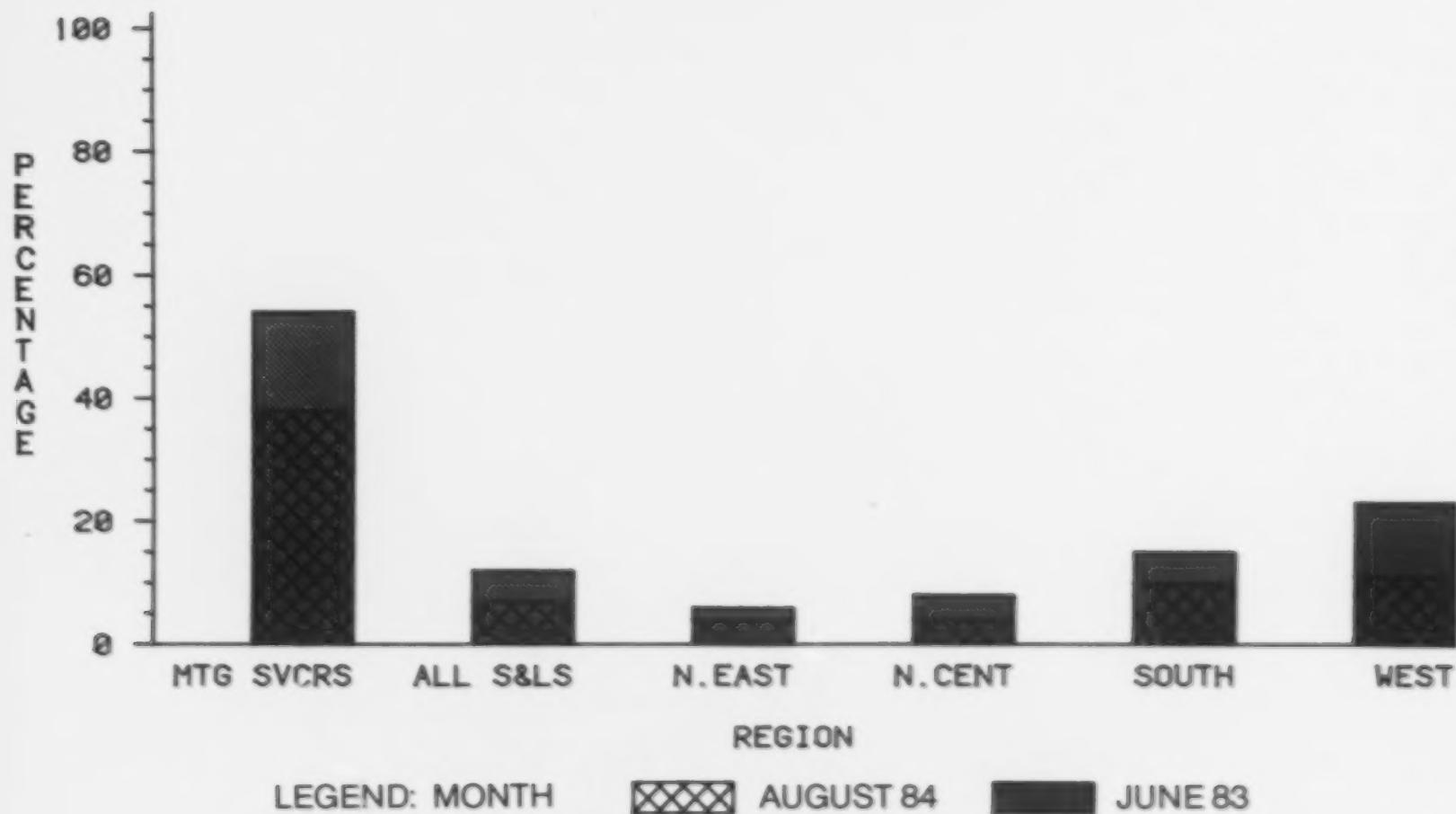
LEGEND: MONTH

 AUGUST 84

This graph represents data related to survey question number 52

GROWING EQUITY-TYPE MORTGAGES (GEMS)

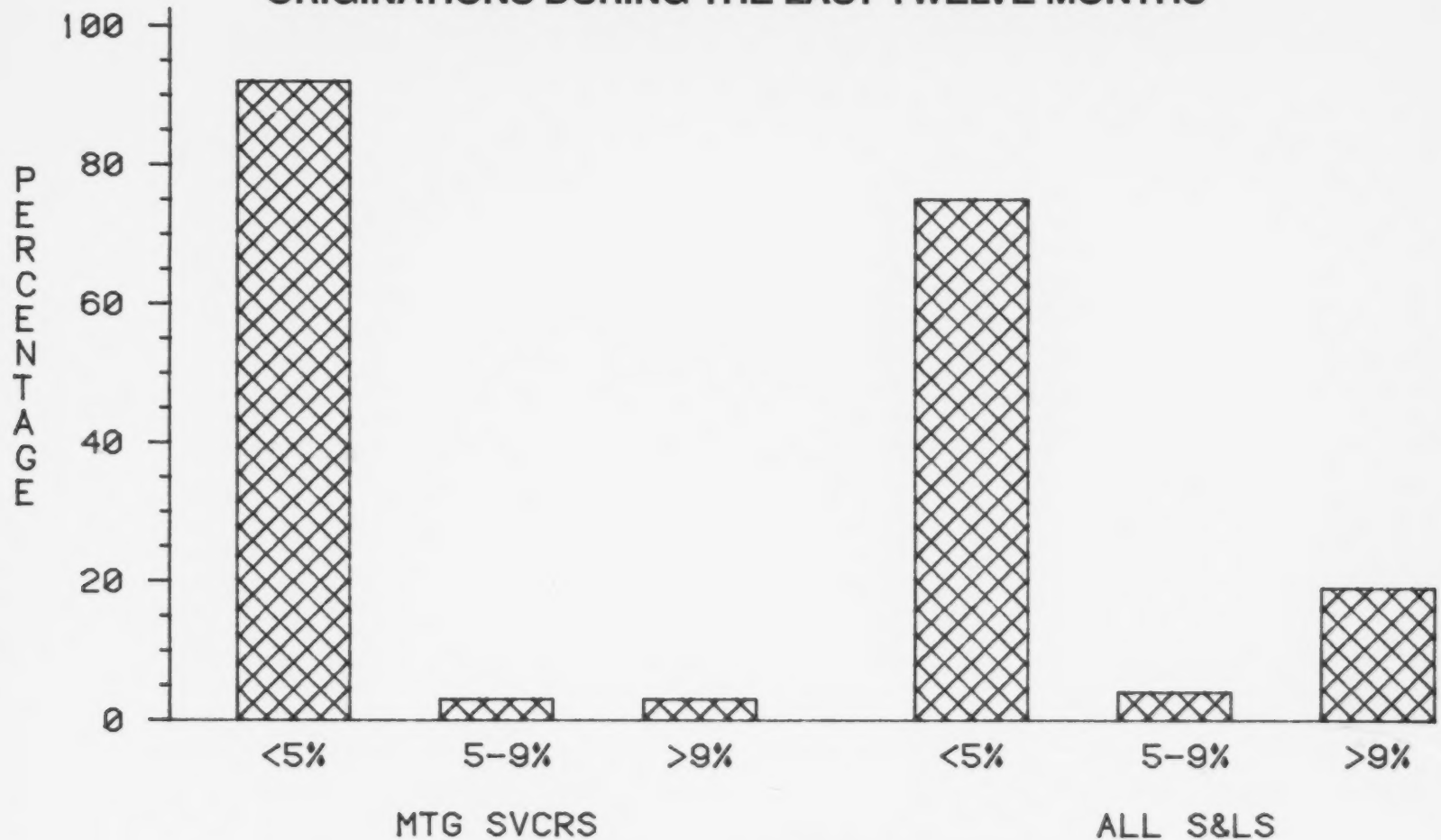
PERCENTAGE OF SURVEYED
LENDERS OFFERING GEMs



This graph represents data related to survey question number 53

GEM DISTRIBUTION

GEMs AS A PERCENTAGE OF TOTAL CONVENTIONAL ORIGINATIONS DURING THE LAST TWELVE MONTHS



LEGEND: MONTH

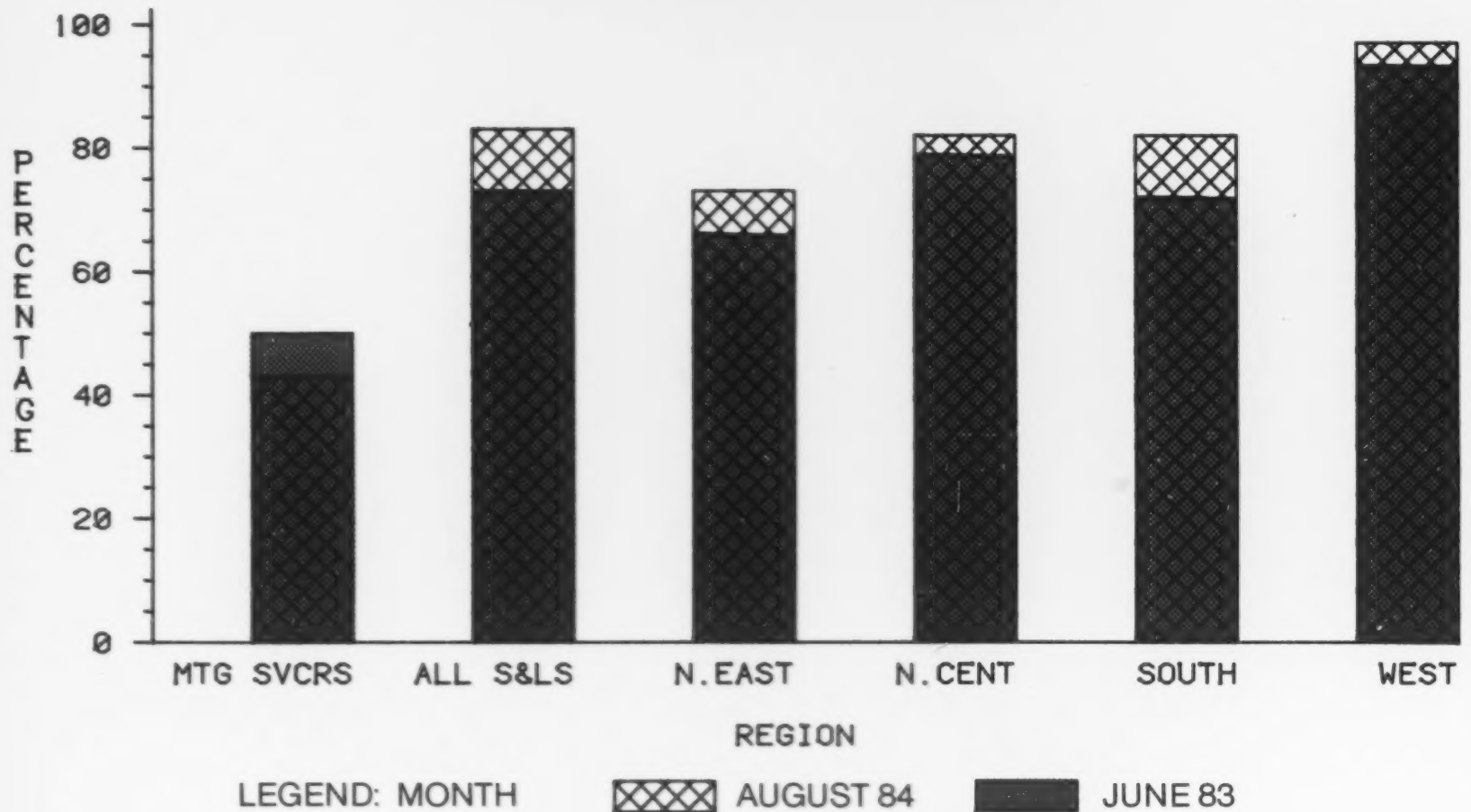


AUGUST 84

This graph represents data related to survey question number 55

SECOND MORTGAGES

PERCENTAGE OF SURVEYED LENDERS OFFERING SECOND MORTGAGES



This graph represents data related to survey question number 58

METHODOLOGY

The survey involved three steps:

- 1) questionnaire design and pretest
- 2) sample selection, and
- 3) data collection

1. *Questionnaire Design and Pretest*

General Electric Mortgage Insurance Companies (GEMICO) designed the questionnaire to obtain information on:

- the percentages of all S&Ls and of the 100 top mortgage servicers currently offering standard fixed rate mortgages (SFRMs) and the features of these mortgages;
- the percentages of all S&Ls and of the 100 top mortgage servicers offering adjustable rate mortgage plans (ARMs), the types of plans offered and the most frequently used plan;
- the extent of negative amortization allowed, caps on negative amortization and the first occurrence of negative amortization;
- the index, margin and initial interest rate selected for ARMs;
- the frequency of payment adjustments and the caps on the percentage of payment increases for each adjustment period and over the life of the loan;
- the frequency of interest rate adjustments and the caps on increases for each adjustment period and over the life of the loan;
- delinquency and foreclosure rates for SFRM and ARM loans;
- the percentages of all S&Ls and of the 100 top mortgage servicers offering graduated payment adjustable rate mortgages (GPARMs), balloon mortgages and second mortgages;
- the percentages of all S&Ls and of the 100 top mortgage servicers offering growing equity-type mortgages (GEMs) and the annual payment increase percentage;
- the percentages of all S&Ls' and of the 100 top mortgage servicers' conventional loan originations that are SFRMs, ARM or GPARM loans, balloon loans, and GEMs;
- the percentages of all S&Ls and of the 100 top mortgage servicers participating in the secondary market and whether they buy and/or sell mortgages;

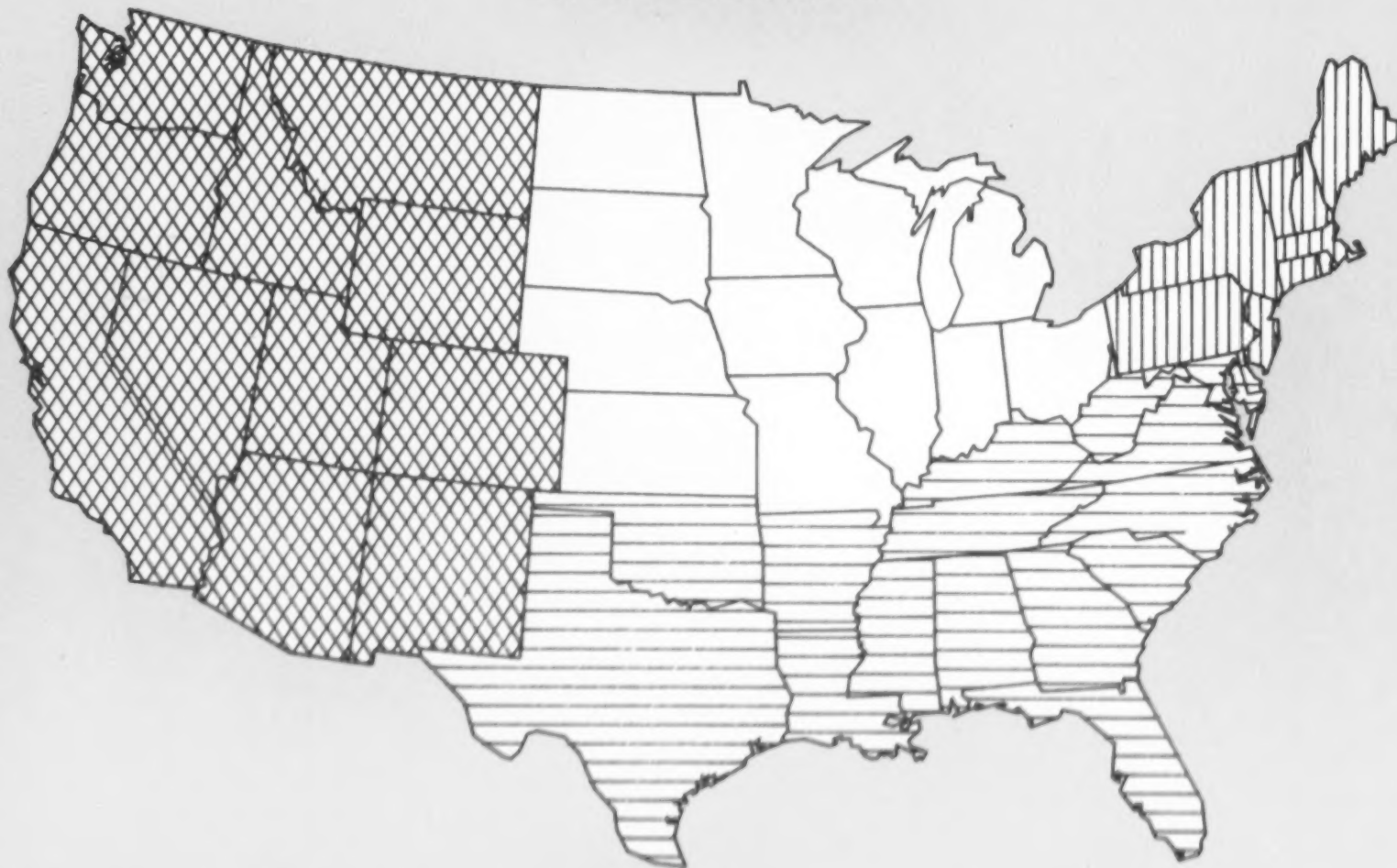
The Research Triangle Institute (RTI),¹ one of the nation's most prominent survey research organizations, reviewed and pretested the questionnaire. RTI statisticians drew a scientifically selected sample of 400 S&Ls from all areas of the U.S. The S&Ls were divided into 4 categories by asset size²:

- 1) Less than \$100 million
- 2) \$100 million to \$299 million
- 3) \$300 million to \$999 million, and
- 4) \$1 billion and over.

¹ The Research Triangle Institute, located at Research Triangle Park, North Carolina, is a nonprofit corporation which has conducted nationwide surveys for numerous federal agencies and private corporations for over twenty years.

² Asset size as reported in the United States League of Savings Institutions 1983 Directory of Members.

U.S. REGIONS



LEGEND: REGION



NORTH EAST
SOUTH



NORTH CENTRAL
WEST

In addition, a listing of the top fifty mortgage servicers consisting of mortgage banking companies and commercial banks originating loans, was used in the survey.³

2. Sample Selection

The S&L sample selection is weighted toward institutions with larger assets; one out of every 17 in asset group 1 was selected, one out of every 9 in asset group 2, one out of every 5 in asset group 3, and all those in asset group 4 were selected. The distribution of the total assets and number of S&Ls in each group is:

#	Asset Group	Percent of Total S&L Assets	Number of S&Ls in Group
1	Less than 100 million	14%	2432
2	\$100 million to \$299 million	20%	769
3	\$300 million to \$999 million	25%	315
4	\$1 billion and over	41%	111

The S&Ls are also categorized by census region. The distribution of S&Ls is: Northeast-19%; North Central-32%; South-37%; and West-12%. The states in each census region are:

Northeast	North Central	South	West
Connecticut	Illinois	Alabama	Alaska
Maine	Indiana	Arkansas	Arizona
Massachusetts	Iowa	Delaware	California
New Hampshire	Kansas	District of Columbia	Colorado
New Jersey	Michigan	Florida	Hawaii
New York	Minnesota	Georgia	Idaho
Pennsylvania	Missouri	Kentucky	Montana
Rhode Island	Nebraska	Louisiana	Nevada
Vermont	North Dakota	Maryland	New Mexico
	Ohio	Mississippi	Oregon
	South Dakota	North Carolina	Utah
	Wisconsin	Oklahoma	Washington
		South Carolina	Wyoming
		Tennessee	
		Texas	
		Virginia	
		West Virginia	

The organizations within the top fifty mortgage servicer group largely operate nationwide.

³ The ranking of the "Top 100 Mortgage Servicers in the U.S." was published by the American Banker, May 7, 1984. The rank was established by reported servicing volume as of December 31, 1983.

3. Data Collection

The Research Triangle Institute ran a computerized program which randomly selected a representative sample of S&Ls out of the total thrift population and repeated this selection process for asset size and region. RTI calculated the weight for each S&L so that a weighted analysis could be run which would provide reliable statistics for all S&Ls in the U.S. This sample is very strong and efficient. There is no sampling error for S&Ls with assets of \$1 billion or more since all of them are included in this sample. For the sample as a whole, the results are accurate at the $\pm 4\%$ to $\pm 6\%$ confidence interval level.

Telephone interviews took place between July 25 and August 3, 1984. These interviews were extremely successful, with a response rate of 92%. The interview results were monitored and checked for accuracy to ensure high-quality results.

**GENERAL ELECTRIC MORTGAGE
INSURANCE COMPANIES**

SURVEY NUMBER 5

**TABLES OF
RESPONSES TO EACH
SURVEY QUESTION**

NOTE: The responses may not add to 100%
due to rounding or "Do Not Know" responses.



ADJUSTABLE MORTGAGE SURVEY 5

1. What percentage of your total residential lending is FHA or VA loans?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	37.11%	2.13%	1.54%	3.10%	3.57%	4.53%	1.06%	0.80%	2.15%	7.80%
Most Frequent Response	50.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Percent With None	5.48	72.02	77.95	62.34	57.63	49.84	85.03	77.40	66.28	56.72
Do Not Know	5.48	3.47	4.72	5.20	6.78	6.27	0.97	5.03	3.05	3.47

1A. What percentage of your total residential lending is conventional loans?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	61.62%	96.50%	97.15%	95.52%	95.23%	90.12%	96.76%	97.32%	97.35%	90.60%
Most Frequent Response	50.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Do Not Know	5.48	4.04	3.15	5.26	6.78	7.24	0.97	6.69	3.00	3.47

ADJUSTABLE MORTGAGE SURVEY 5

2. Do you currently offer conventional fixed-rate, fixed-payment mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Yes	97.26%	65.98%	59.52%	75.33%	84.75%	88.62%	69.56%	55.55%	69.28%	82.47%
No	2.74	34.00	40.48	24.68	15.25	11.38	30.44	44.45	30.72	17.53

3. What maturity or term are your conventional fixed-rate non-balloon mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Five Years	1.41%	7.57%	9.33%	6.90%	2.00%	1.17%	2.85%	13.95%	7.40%	0.00%
Seven Years	1.41	6.87	8.00	6.90	2.00	3.50	2.85	11.35	7.40	0.36
Ten Years	2.82	15.65	18.67	15.52	4.00	4.44	8.50	30.84	12.85	0.00
Fifteen Years	45.07	45.83	48.68	44.83	38.00	31.15	41.68	65.55	24.38	0.00
Twenty Years	8.45	19.79	24.00	17.24	8.00	5.60	24.70	29.02	16.20	4.82
Twenty-Five Years	9.86	17.91	20.00	15.52	16.00	6.77	23.84	23.05	14.25	10.85
Thirty Years	98.59	69.98	57.90	86.21	90.00	98.83	61.48	66.79	68.16	93.11
Other	1.41	1.27	1.33	1.72	0.00	1.17	0.00	4.20	0.00	0.36

ADJUSTABLE MORTGAGE SURVEY 5

4. Do you charge a prepayment penalty for fixed-rate mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	14.09%	13.27%	13.16%	12.07%	14.00%	19.84%	22.21%	10.79%	11.60%	13.08%
No	83.10	86.51	86.84	87.93	84.00	80.16	77.79	89.21	88.41	85.22
Do Not Know	2.82	0.23	0.00	0.00	2.00	0.00	0.00	0.00	0.00	1.70

4A. How much prepayment penalty do you charge for fixed-rate mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
6 Months Interest	12.50%	30.06%	22.22%	42.86%	28.57%	60.00%	16.51%	50.00%	8.86%	69.57%
3 Months Interest	0.00	5.55	0.00	14.29	14.29	6.67	16.51	7.59	0.00	0.00
0.50% of Remaining Loan Balance	0.00	1.82	0.00	0.00	14.29	0.00	8.07	0.00	0.00	0.00
1.00% of Remaining Loan Balance	12.50	18.84	22.22	14.29	14.29	13.33	28.59	42.41	0.00	13.98
2.00% of Remaining Loan Balance	0.00	16.24	22.22	14.29	0.00	0.00	28.59	0.00	26.01	0.00
2.37% of Remaining Loan Balance	0.00	6.45	11.11	0.00	0.00	0.00	0.00	0.00	17.14	0.00
3.00% of Remaining Loan Balance	12.50	3.34	0.00	14.29	0.00	0.00	0.00	0.00	8.86	0.00
5.00% of Remaining Loan Balance	0.00	6.45	11.11	0.00	0.00	0.00	0.00	0.00	17.14	0.00
7.00% of Remaining Loan Balance	12.50	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7.50% of Remaining Loan Balance	0.00	1.82	0.00	0.00	14.29	0.00	0.00	0.00	4.83	0.00
Do Not Know	50.00	9.44	11.11	0.00	14.29	20.00	1.73	0.00	17.14	16.45

ADJUSTABLE MORTGAGE SURVEY 5

5. What percentage of your conventional loan originations have been fixed-rate non-balloon mortgages in the past 12 months?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	Savings And Loan Associations							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Less Than 25%	53.52%	45.34%	40.79%	48.28%	58.00%	60.56%	29.05%	53.54%	42.64%	55.22%
25 - 50%	35.21	26.51	26.32	27.59	26.00	24.51	21.09	22.48	31.07	28.02
Greater than 50%	11.27	25.55	30.26	22.41	12.00	11.44	49.86	23.82	20.05	16.76
Do Not Know	0.00	2.60	2.63	1.72	4.00	3.50	0.00	0.16	6.24	0.00

6. Are your fixed-rate mortgages being originated for your portfolio?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	Savings And Loan Associations							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	23.94%	57.84%	67.12%	50.88%	35.42%	23.30%	67.24%	65.07%	58.50%	28.45%
No	74.65	40.35	30.14	49.12	64.58	72.98	32.76	31.88	39.49	70.80
Do Not Know	1.41	1.80	2.74	0.00	0.00	3.72	0.00	3.05	2.01	0.75

ADJUSTABLE MORTGAGE SURVEY 5

7. If not, to whom are you selling the majority of your fixed-rate mortgage originations?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Freddie Mac	6.25%	46.50%	50.00%	60.00%	23.08%	22.06%	39.48%	51.02%	38.57%	56.16%
Fannie Mae	35.42	16.27	18.18	12.00	15.39	22.27	9.16	7.66	20.57	23.60
Private Investor	25.00	15.99	18.18	16.00	11.54	11.13	18.78	14.05	23.79	5.71
Others	2.08	4.32	4.55	12.00	11.54	3.71	1.12	10.02	1.78	3.07
Do Not Know	31.25	16.92	9.09	0.00	38.46	40.83	33.13	17.25	15.30	11.47

8. What is the current interest rate you offer on your longest term fixed-rate mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Less than 11.50%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
11.50% To 11.99%	0.00	0.23	0.00	0.00	2.00	0.00	0.00	0.76	0.00	0.00
12.00% To 12.99%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13.00% To 13.99%	2.86	9.11	11.84	5.17	4.00	5.84	0.00	20.49	6.08	4.21
14.00% To 14.99%	87.14	66.70	67.11	63.79	70.00	68.62	84.45	64.38	65.85	52.88
15.00% To 15.99%	10.00	20.69	17.11	27.59	24.00	24.38	15.55	10.12	26.13	33.76
16.00% Or More	0.00	2.01	2.63	1.72	0.00	0.00	0.00	0.00	1.95	9.15
Do Not Know	0.00	1.26	1.32	1.72	0.00	1.17	0.00	4.25	0.00	0.00

ADJUSTABLE MORTGAGE SURVEY 5

9. Do you offer an interest rate buydown feature on your fixed-rate mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	Savings And Loan Associations							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	90.14%	29.63%	23.68%	32.76%	50.00%	43.18%	7.27%	25.98%	32.14%	57.29%
No	8.45	70.37	76.32	67.24	50.00	56.82	92.73	74.02	67.86	42.71
Do Not Know	1.41	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

10. How many basis points do you charge for each decrease of 1% in the interest rate?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	Savings And Loan Associations							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Average Response	463.85bp	412.61bp	387.50bp	470.46bp	350.25bp	509.64bp	450.00bp	329.43bp	417.86bp	465.27bp
Most Frequent Response	600.00	600.00	600.00	600.00	100.00	600.00	100.00	600.00	600.00	600.00

ADJUSTABLE MORTGAGE SURVEY 5

11. Will you be deemphasizing fixed-rate mortgages in the next twelve months in favor of increasing adjustable rate mortgage volume?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100 299 Million	\$300 999 Million	\$1 Billion and Over	North- east	North Central	South	West
Yes	45.07%	51.56%	48.68%	60.35%	46.00%	57.99%	50.43%	46.41%	52.20%	62.47%
No	52.11	37.96	36.84	37.93	46.00	32.68	29.81	37.79	42.69	33.65
Do Not Know	2.82	10.48	14.47	1.72	8.00	9.34	19.75	15.80	5.11	3.89

12. Do you plan to cease offering fixed-rate mortgages in the next year?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100 299 Million	\$300 999 Million	\$1 Billion and Over	North east	North Central	South	West
Yes	0.00%	5.05%	4.26%	2.86%	15.39%	5.39%	3.97%	8.53%	3.88%	2.59%
No	96.97	88.25	87.23	94.29	76.92	94.61	96.03	77.70	88.92	97.41
Do Not Know	3.03	6.70	8.51	2.86	7.69	0.00	0.00	13.77	7.20	0.00

ADJUSTABLE MORTGAGE SURVEY 5

13. What would you estimate that your delinquency rate of 30 days or more for fixed-rate mortgages is?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 1.00%	18.31%	45.45%	50.00%	46.55%	28.00%	19.84%	52.58%	38.26%	55.46%	21.82%
1.00% To 1.49%	4.23	12.12	14.47	6.90	12.00	8.17	16.21	8.00	13.54	11.94
1.50% To 1.99%	7.04	1.26	1.32	1.72	0.00	1.17	0.00	2.70	0.00	3.48
2.00% To 2.49%	7.04	3.77	3.95	5.17	0.00	3.27	10.58	1.56	1.95	6.03
2.50% To 2.99%	4.23	0.56	0.00	1.72	0.00	3.50	0.30	0.00	0.00	3.85
3.00% To 3.49%	2.82	2.28	2.63	1.72	2.00	1.17	0.00	5.56	0.00	4.82
3.50% To 3.99%	0.00	0.05	0.00	0.00	0.00	1.17	0.00	0.00	0.00	0.36
4.00% To 4.49%	2.82	0.50	0.00	0.00	4.00	1.17	1.69	0.76	0.00	0.00
4.50% To 4.99%	2.82	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5.00% Or More	7.04	6.16	7.90	3.45	4.00	2.33	2.55	13.27	4.44	0.00
Do Not Know	13.66	27.85	19.74	32.76	50.00	58.22	16.09	29.90	24.60	47.69

14. What would you estimate that your foreclosure rate on fixed-rate mortgages for the last 90 days is?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 0.25%	29.58%	59.15%	63.16%	63.79%	38.00%	31.15%	70.06%	53.34%	61.61	51.25
0.25% To 0.49%	7.04	4.25	5.26	1.72	4.00	4.67	2.85	5.56	4.44	2.43
0.50% To 0.99%	9.86	2.65	2.63	1.72	4.00	4.67	7.49	3.95	0.00	2.07
1.00% To 1.49%	1.41	4.44	6.58	0.00	4.00	0.00	6.33	5.39	4.44	0.00
1.50% To 1.99%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00% To 2.49%	0.00	0.85	1.32	0.00	0.00	1.17	0.00	2.70	0.00	0.36
2.50% To 2.99%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.00% Or More	0.00	0.90	1.32	0.00	0.00	2.33	0.00	0.00	2.07	0.36
Do Not Know	52.11	27.76	19.74	32.76	50.00	56.02	13.27	24.07	27.44	43.52

ADJUSTABLE MORTGAGE SURVEY 5

15. Are you currently offering any adjustable mortgage instruments in addition to, or instead of, fixed-rate, fixed-payment mortgages?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Yes	98.63%	91.37%	89.60%	92.21%	100.00%	98.97%	86.26%	92.37%	93.12%	89.04%
No	1.37	8.35	10.40	6.49	0.00	1.03	13.74	7.63	6.18	10.96
Do Not Know	0.00	0.28	0.00	1.30	0.00	0.00	0.00	0.00	0.71	0.00

16. Considering all the adjustable rate plan you offer, in total, how many different adjustable rate mortgage plans do you offer?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
One Plan	5.56%	36.91%	41.59%	38.03%	10.53%	11.41%	31.70%	33.67%	40.59%	40.58%
Two Plans	5.56	23.56	24.78	22.54	19.30	17.95	36.48	33.28	13.26	13.23
Three Plans	11.11	20.53	19.47	22.54	22.81	22.18	25.58	19.35	22.19	11.44
Four Plans	9.72	7.77	6.23	4.23	21.05	24.17	4.54	6.94	8.49	12.04
Five Plans	2.78	2.74	1.77	4.23	5.26	5.28	1.18	1.05	2.69	10.66
Six To Ten Plans	37.50	5.94	5.31	4.23	12.28	11.62	0.00	4.30	9.24	6.68
Eleven To Nineteen Plans	20.83	0.81	0.00	1.41	3.51	5.28	0.25	0.10	0.84	3.80
More Than Twenty	6.94	1.75	0.88	2.82	5.26	2.11	0.25	1.32	2.69	1.57

ADJUSTABLE MORTGAGE SURVEY 5

17. Do any of your plans match exactly any of the following standard Freddie Mac or Fannie Mae ARM plans?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Freddie Mac 1-Year ARM	33.33%	30.94%	30.36%	38.03%	22.03%	22.78%	20.12%	23.97%	41.26%	30.54%
Freddie Mac 3-Year ARM	27.78	20.06	20.54	21.13	15.25	17.77	8.91	22.12	22.36	19.89
Freddie Mac 5-Year ARM	23.61	10.40	9.82	12.68	8.48	12.54	2.30	9.55	12.61	16.50
Fannie Mae 1-Year ARM	63.89	15.50	14.29	18.31	14.25	21.95	7.65	11.38	22.96	12.00
Fannie Mae 3-Year ARM	45.83	11.34	11.61	9.86	10.17	18.81	7.17	7.19	17.59	7.30
Fannie Mae 5-Year ARM	47.22	7.87	7.14	7.04	11.86	15.68	3.18	5.55	11.81	7.30
Fannie Mae 1-Year GPARM	34.72	3.07	2.68	4.23	1.70	7.32	0.24	0.20	7.28	0.71
Fannie Mae 3-Year GPARM	27.78	1.61	1.79	1.41	0.00	4.18	0.00	0.10	3.87	0.36
Fannie Mae 5-Year GPARM	29.17	1.65	1.79	1.41	0.00	5.23	0.00	0.10	3.87	0.71

18. Of the adjustable rate mortgage plans you offer, which one plan have you used most often over the past 6 months?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Plan Other Than Standard Freddie Mac or Fannie Mae 1, 3, or 5 Year	80.56%	68.83%	68.75%	62.86%	77.59%	83.10%	75.16%	70.13%	64.56%	72.16
Freddie Mac 1-Year ARM	1.39	15.97	14.29	25.71	8.62	8.45	10.75	11.66	18.58	27.51
Freddie Mac 3-Year ARM	1.39	4.80	5.36	4.29	3.45	1.06	5.46	7.13	3.70	0.34
Freddie Mac 5-Year ARM	0.00	0.89	0.89	1.43	0.00	0.00	2.15	1.67	0.00	0.00
Fannie Mae 1-Year ARM	11.11	5.52	6.25	2.86	6.90	4.22	1.17	7.19	7.06	0.00
Fannie Mae 3-Year ARM	1.39	1.64	1.79	1.43	1.72	0.00	4.15	0.47	2.23	0.00
Fannie Mae 5-Year ARM	0.00	0.04	0.00	0.00	0.00	1.06	0.00	0.10	0.00	0.00
Fannie Mae 1-Year GPARM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fannie Mae 3-Year GPARM	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Fannie Mae 5-Year GPARM	0.00	0.17	0.00	0.00	1.72	0.00	1.17	0.00	0.00	0.00
Other	4.17	1.51	1.79	1.43	0.00	1.06	0.00	0.00	3.79	0.00
Do Not Know	0.00	0.62	0.89	0.00	0.00	1.06	0.00	1.67	0.09	0.00

ADJUSTABLE MORTGAGE SURVEY 5

19. Does the adjustable plan you use most often allow for negative amortization?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	27.78%	11.55%	8.85%	11.27%	24.14%	30.63%	2.84%	12.90%	11.01%	20.72%
No	70.83	87.29	89.38	88.73	75.86	69.37	88.86	89.10	88.99	79.28
Do Not Know	1.39	1.16	1.77	0.00	0.00	0.00	8.30	0.00	0.00	0.00

20. What is your limit on the amount of negative amortization that may accumulate?*

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Average Response	123.87%	120.76%	118.00%	125.00%	123.46%	118.42%	105.85%	122.27%	121.33%	124.49%
Most Frequent Response	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00	125.00
No Limit	10.00	8.18	9.09	0.00	0.00	24.14	0.00	0.77	13.15	17.27
Do Not Know	15.00	5.67	9.09	0.00	7.14	10.35	0.00	12.80	0.79	3.24

*As a percentage of original loan balance

ADJUSTABLE MORTGAGE SURVEY 5

21. Does the plan you use most often call for immediate negative amortization due to a difference between the original mortgage payment level and the initial interest rate?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Yes	40.00%	23.18%	20.00%	37.50%	14.29%	27.59%	8.81%	29.64%	25.25%	8.09%
No	55.00	73.91	80.00	50.00	85.71	68.97	91.19	62.87	74.75	91.91
Do Not Know	5.00	2.91	0.00	12.50	0.00	3.45	0.00	0.00	0.00	0.00

22. What index is used for the ARM plan you use most often?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
FHLBB Index	3.12%	17.93%	23.43%	8.57%	12.50%	6.92%	21.49%	15.20%	17.66%	22.48%
National Cost of Funds Index	0.00	6.60	6.54	8.57	3.57	3.46	0.00	8.52	7.74	5.20
1 Year Treasury Auction Average	26.56	17.85	14.95	27.14	12.50	28.84	17.08	12.99	22.25	16.45
1 Year Treasury Constant Maturity	60.93	34.17	30.84	38.57	44.64	40.25	39.54	33.28	33.79	31.20
3 Year Treasury Constant Maturity	6.25	7.82	8.41	7.14	7.14	2.31	9.63	13.23	4.98	0.00
Other	3.12	15.64	16.82	10.00	19.64	18.23	12.27	16.77	13.58	24.68

ADJUSTABLE MORTGAGE SURVEY 5

23. How often are payments adjusted on the adjustable rate mortgage plan you use most often?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North-east	North Central	South	West
Less Than 1 Year	1.39%	3.32%	2.73%	4.17%	5.08%	4.18%	6.04%	3.05%	1.58%	7.30%
Every Year	83.33	75.18	72.73	79.17	79.66	83.28	60.60	68.64	82.23	90.93
Every 1 1/2 To 2 1/2 Years	0.00	1.80	2.73	0.00	0.00	1.04	0.00	5.09	0.09	0.00
Every 3 Years	11.11	15.81	18.18	13.89	8.48	4.18	32.00	17.41	12.35	0.36
Every 5 Years	2.78	1.49	1.82	0.00	1.70	4.18	0.24	2.28	1.46	0.71
Other	1.39	2.39	1.82	2.78	5.08	3.14	1.12	3.53	2.30	0.71

24. Is there an optional or standard cap on the percentage of payment increase for each adjustment period on the plan you use most often?*

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North-east	North Central	South	West
Optional	15.20%	9.51%	8.93%	9.72%	11.86%	12.54%	7.04%	10.31%	9.00%	12.12%
Standard	36.11	33.25	34.82	27.78	30.51	45.87	35.48	28.56	32.18	49.98
No	47.22	56.66	55.36	62.50	57.63	41.59	57.48	61.13	58.82	32.35
Do Not Know	1.39	0.58	0.89	0.00	0.00	0.00	0.00	0.00	0.00	5.55

*See page 8 for explanation of data.

ADJUSTABLE MORTGAGE SURVEY 5

25. What is the percentage payment cap per adjustment?*

	Mortgage Servicers	Total SAs	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Less Than 5.00%	48.65%	65.73%	66.67%	70.37%	58.33%	48.11%	79.53%	72.62%	57.32%	59.90%
5.00% To 7.49%	5.41	9.51	12.50	3.70	4.17	1.79	12.86	6.77	10.85	8.94
7.50% To 9.99%	37.84	20.54	16.67	22.22	33.33	42.94	6.40	20.61	24.60	22.93
10.00% To 14.99%	0.00	0.48	0.00	0.00	4.17	1.79	0.00	0.00	0.00	3.04
15.00% Or More	5.41	2.34	2.08	3.70	0.00	5.37	1.21	0.00	3.62	5.16
Do Not Know	2.70	1.39	2.08	0.00	0.00	0.00	0.00	0.00	3.62	0.00

*See page 8 for explanation of data.

26. Is there a cap on the percentage of payment increase over the life of the loan?*

	Mortgage Servicers	Total SAs	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Yes	40.28%	37.23%	36.28%	38.89%	37.29%	44.82%	37.30%	33.23%	36.51%	53.41%
No	58.33	61.21	61.95	59.72	62.71	52.04	62.70	66.77	61.77	38.17
Do Not Know	1.39	1.56	1.77	1.39	0.00	3.13	0.00	0.00	1.72	8.42

*See page 8 for explanation of data.

ADJUSTABLE MORTGAGE SURVEY 5

27. What is the percentage of payment increase over the life of the loan?*

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Less Than 5.0%	34.48%	17.89%	17.50%	17.86%	18.18%	23.32%	5.52%	16.51%	20.80%	25.54%
5.0% To 9.9%	55.17	73.94	77.50	64.29	77.27	65.03	70.82	75.40	73.73	74.46
10.0% To 25.0%	10.35	8.17	5.00	17.86	4.55	11.66	23.66	8.09	5.47	0.00

*See page 8 for explanation of data.

28. How often is the interest rate adjusted on the adjustable mortgage loan you use most often?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Less Than 1 Year	9.86%	4.32%	2.63%	2.78%	13.56%	21.12%	6.71%	3.28%	2.33%	12.19%
Every Year	77.46	74.54	71.93	83.33	74.58	69.37	61.85	71.27	81.71	75.66
Every 2 to 2 1/2 Years	0.00	1.76	2.63	0.00	0.00	1.06	0.00	4.92	0.09	0.00
Every 3 Years	9.86	14.86	17.54	11.11	8.48	4.22	29.14	16.22	10.73	6.24
Every 5 Years	0.00	1.72	1.75	1.39	1.70	3.17	2.30	2.20	1.44	0.34
Other	2.82	1.45	1.75	1.39	1.70	0.00	0.00	1.64	2.18	0.00
Do Not Know	0.00	1.35	1.75	0.00	0.00	1.06	0.00	0.46	1.52	5.57

ADJUSTABLE MORTGAGE SURVEY 5

29. Is there an optional or standard cap on the interest rate increase for each adjustment period on the plan you use most often?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Optional	1.41%	5.07%	5.36%	4.17%	5.09%	5.23%	6.29%	7.88%	2.96%	2.24%
Standard	77.47	67.17	63.39	75.00	74.58	68.65	78.03	67.97	61.63	71.42
No	21.13	26.88	30.36	19.44	20.34	26.13	15.68	24.16	34.67	20.80
Do Not Know	0.00	0.88	0.89	1.39	0.00	0.00	0.00	0.00	0.74	5.55

30. What is the interest rate cap per adjustment?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 0.50%	0.00%	1.78%	1.30%	1.75%	4.26%	2.83%	0.00%	0.00%	4.63%	0.91%
0.50% To 0.99%	0.00	0.33	0.00	0.00	2.13	2.83	0.00	0.62	0.00	0.91
1.00% To 1.49%	7.14	13.98	18.18	7.02	6.38	9.90	5.22	19.49	7.70	29.81
1.50% To 1.99%	0.00	7.83	3.90	17.54	8.51	9.46	11.10	9.84	4.71	6.48
2.00% To 2.49%	89.29	63.48	59.74	68.42	72.34	69.32	76.22	47.22	78.51	48.73
2.50% To 2.99%	1.79	3.45	5.20	0.00	2.13	0.00	0.00	6.60	2.22	2.13
3.00% To 3.99%	1.79	5.35	7.79	1.75	0.00	2.83	4.92	9.94	0.00	8.45
4.00% To 5.00%	0.00	0.92	0.00	1.75	4.26	1.42	0.00	1.76	0.00	2.58
Other	0.00	0.81	1.30	0.00	0.00	0.00	0.00	2.20	0.00	0.00
Do Not Know	0.00	2.08	2.60	1.75	0.00	1.42	2.54	2.33	2.22	0.00

ADJUSTABLE MORTGAGE SURVEY 5

31. Is there a cap on the interest rate increase during the life of the loan?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Yes	85.08%	75.41%	71.68%	80.28%	84.75%	90.50%	78.53%	79.51%	71.40%	72.93%
No	14.93	24.01	27.43	19.72	15.25	9.51	21.47	20.49	28.60	21.50
Do Not Know	0.00	0.58	0.86	0.00	0.00	0.00	0.00	0.00	0.00	5.57

32. What is the interest rate increase cap during the life of the loan?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
1.00% To 1.90%	1.64	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00% To 2.90%	1.64	0.31	0.00	0.00	2.04	2.31	0.64	0.00	0.00	2.19
3.00% To 3.90%	0.00	2.69	2.47	3.45	2.04	3.46	0.00	3.13	2.58	5.43
4.00% To 4.90%	3.28	8.35	8.64	8.62	6.12	8.08	0.32	14.59	6.07	5.43
5.00% Or More	93.44	88.65	88.89	87.93	89.80	86.16	99.04	82.29	91.35	86.96

ADJUSTABLE MORTGAGE SURVEY 5

33. Do you have a graduated payment feature in the adjustable rate mortgage you use most often?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Yes	18.31%	4.72%	5.41%	2.78%	5.09%	3.14%	1.42%	3.34%	3.38%	18.89%
No	81.69	95.28	94.60	97.22	94.92	96.87	98.58	96.66	96.62	81.11
Do Not Know	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

34. What is the current interest accrual rate (index rate plus spread or margin) on the ARM plan you use most often? *

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	12.46%	12.63%	12.74%	12.49%	12.40%	12.22%	12.65%	12.67%	12.57%	12.73%
Most Frequent Reponse	13.50	12.50	12.50	12.50	11.50	11.50	12.00	12.50	11.50	12.50
Do Not Know	8.70	9.29	9.71	8.82	8.62	6.33	5.10	12.70	8.64	7.14

*See page 9 for explanation of data.

ADJUSTABLE MORTGAGE SURVEY 5

35. Have you processed interest rate adjustments in the last 6 months on the ARM plan used most often?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	36.11%	51.08%	50.89%	49.30%	55.93%	52.04%	61.93%	59.79%	42.95%	39.14%
No	56.94	46.48	45.54	50.70	44.07	44.82	38.07	38.50	54.01	54.98
Do Not Know	6.94	2.44	3.57	0.00	0.00	3.14	0.00	1.71	3.05	5.89

36. In the ARM plan you use most often, what is your margin or spread over the index rate you use for that plan?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Average Response	2.51%	2.25%	2.21%	2.26%	2.35%	2.42%	2.33%	2.11%	2.34%	2.29%
Most Frequent Response	2.50	2.50	2.00	2.00	2.00	2.50	2.00	2.00	2.50	2.50
No Margin	3.03	17.87	23.53	8.70	6.78	6.40	34.05	15.19	15.77	12.30
Do Not Know	1.52	2.15	1.96	2.90	1.70	2.14	4.50	1.79	2.11	0.34

ADJUSTABLE MORTGAGE SURVEY 5

37. Do you offer an interest rate discount feature or teaser rate on the ARM plan you use most often instead of a fully indexed starting interest rate?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Yes	48.61%	26.79%	20.35%	41.67%	28.81%	51.09%	18.05%	29.85%	23.61%	41.11%
No	50.00	72.91	79.65	56.94	71.19	48.91	81.95	69.28	76.39	58.89
Do Not Know	1.39	0.30	0.00	1.39	0.00	0.00	0.00	0.86	0.00	0.00

38. How many basis points do you charge for each decrease of 1% in the initial interest rate?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	123.25bp	188.16bp	200.00bp	198.06bp	155.00bp	125.68bp	300.00bp	186.80bp	169.78bp	185.93bp
Most Frequent Response	100.00	100.00	100.00	100.00	100.00	100.00	300.00	100.00	100.00	100.00
Percent That Do Not Charge	16.13	36.14	45.46	23.33	31.25	41.53	58.96	31.44	37.74	28.99
Do Not Know	16.13	18.13	18.18	23.33	6.25	8.35	7.56	30.92	12.17	8.18

ADJUSTABLE MORTGAGE SURVEY 5

39. What is the initial interest rate on this teaser ARM?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Average Response	11.29%	11.61%	11.79%	11.28%	11.89%	11.49%	11.91%	11.48%	11.76%	11.37%
Most Frequent Response	10.88	12.00	11.50	11.50	12.00	12.00	12.00	11.00	12.00	11.75

40. What specific rate do your underwriting guidelines use for qualifying the buyer?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Average Response	11.68%	12.67%	12.98%	12.37%	12.65%	11.79%	12.34%	12.61%	12.76%	12.82%
Most Frequent Response	10.88	12.00	14.00	12.00	12.25	11.50	11.50	12.00	13.00	11.75

ADJUSTABLE MORTGAGE SURVEY 5

41. What are the qualifying ratios (housing payment to total income; total debt to total income) you use to underwrite your most frequently used ARM plan?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	28.00%/ 35.52%	27.44%/ 35.23%	27.34%/ 35.22%	27.24%/ 35.09%	28.34%/ 35.62%	28.01%/ 35.17%	27.22%/ 35.21%	27.36%/ 34.82%	27.33%/ 35.56%	28.39%/ 35.36%
Most Frequent Response	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00	28.00/ 36.00

42. What is the maximum loan to value ratio you allow on your most frequently used ARM plan?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations							
			Size				Region			
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Average Response	90.00%	86.10%	86.15%	85.36%	88.57%	84.50%	85.74%	85.70%	87.77%	83.90%
Most Frequent Response	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00	90.00
Do Not Know	0.00	1.17	1.80	0.00	0.00	0.00	4.15	1.70	0.00	0.00

ADJUSTABLE MORTGAGE SURVEY 5

43. What would you estimate that your current 30 day or more ARM delinquency rate is?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 1.00%	16.67%	64.02%	71.43%	61.11%	33.90%	25.92%	66.07%	65.08%	64.07%	57.47%
1.00% To 1.49%	5.56	7.33	8.93	4.17	5.09	3.14	9.09	8.14	6.06	7.12
1.50% To 1.99%	6.94	0.79	0.00	1.39	5.09	0.00	0.00	2.31	0.00	0.00
2.00% To 2.49%	0.00	1.19	0.89	1.39	1.70	4.18	0.48	2.28	0.00	3.21
2.50% To 2.99%	2.78	0.37	0.00	1.39	0.00	2.09	2.06	0.10	0.00	0.34
3.00% To 3.49%	0.00	0.75	0.89	0.00	1.70	0.00	0.00	1.70	0.00	1.57
3.50% To 3.99%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4.00% To 4.49%	2.78	0.30	0.00	1.39	0.00	0.00	0.00	0.00	0.74	0.00
4.50% To 4.99%	0.00	0.58	0.89	0.00	0.00	0.00	0.00	0.00	1.44	0.00
5.00% Or More	1.39	0.78	0.89	0.00	1.70	1.05	3.98	0.58	0.00	0.00
Do Not Know	63.89	23.86	16.07	29.17	50.85	63.63	18.32	19.80	27.69	30.31

44. What would you estimate that your foreclosure rate on adjustable rate mortgages in the last 90 days is?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North-east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 0.25%	27.78%	76.08%	83.04%	70.83%	55.93%	33.23%	82.56%	75.72%	75.30%	71.26%
0.25% To 0.49%	2.78	0.58	0.89	0.00	0.00	0.00	0.00	0.00	1.44	0.00
0.50% To 0.99%	0.00	1.17	1.79	0.00	0.00	0.00	0.00	1.70	1.44	0.00
1.00% To 1.49%	1.39	0.57	0.00	1.39	1.70	3.14	0.00	1.46	0.09	0.34
1.50% To 1.99%	1.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.00% To 2.49%	1.39	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
2.50% To 2.99%	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3.00% Or More	0.00	0.58	0.89	0.00	0.00	0.00	3.98	0.00	0.00	0.00
Do Not Know	65.28	21.02	13.39	27.78	42.37	63.63	13.45	21.12	21.74	28.41

ADJUSTABLE MORTGAGE SURVEY 5

45. What educational methods or information materials do you offer on your adjustable rate mortgage programs?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Brochures	47.22%	41.98%	38.60%	47.89%	45.76%	60.40%	41.93%	37.03%	47.80%	36.53%
Article Handouts	34.72	34.45	32.74	36.62	42.37	31.24	36.34	32.34	35.97	33.21
In-House Training Sessions	13.89	9.58	8.85	8.45	15.25	14.63	16.50	5.07	8.72	18.45
Seminars To Public	15.28	8.88	8.85	8.45	10.17	8.36	4.55	6.20	9.75	20.65
Video Tape Viewings	0.00	0.04	0.00	0.00	0.00	1.05	0.00	0.10	0.00	0.00
Outside Training Consultants	0.00	1.22	0.89	2.82	0.00	1.05	0.24	0.00	2.99	0.00
Truth In Lending Statement	11.11	9.31	7.97	11.11	11.86	16.72	0.48	11.22	12.09	4.14
Do Not Know	8.33	18.19	22.32	11.27	10.17	5.22	21.65	21.72	12.56	22.97

46. To whom do you direct or distribute your educational methods and materials?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Borrowers	80.30%	83.73%	80.90%	90.63%	83.02%	90.08%	84.75%	84.78%	84.70%	74.59%
Realtors	51.52	51.22	43.82	60.32	67.93	71.67	36.08	42.37	60.23	63.59
Builders	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00	100.00
Other	6.06	4.50	3.45	1.59	16.98	4.41	5.08	4.96	3.58	6.15

ADJUSTABLE MORTGAGE SURVEY 5

47. Would you estimate that the percentage of your institution's conventional loans over the last 12 months that have been ARMs or GPARMs to be...

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Less Than 25%	7.04%	15.24%	16.96%	15.28%	6.78%	6.06%	22.54%	16.85%	12.53%	10.32%
25% To 50%	38.03	10.87	10.71	11.11	11.86	9.40	21.28	4.68	12.00	12.23
Greater Than 50%	52.11	68.91	66.07	72.22	76.27	81.40	52.19	74.10	69.78	71.90
Do Not Know	2.82	4.98	6.25	1.39	5.08	3.14	3.98	4.37	5.70	5.55

48. Are your ARMs and/or GPARMs being originated for your portfolio?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>				<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>				
Yes	30.99%	81.49%	84.68%	77.94%	73.68%	62.51%	88.02%	89.92%	82.06%	55.58%
No	67.61	15.60	11.71	20.59	23.32	30.88	11.98	10.48	14.82	40.44
Do Not Know	1.41	2.91	3.60	1.47	0.00	6.62	0.00	3.61	3.12	3.98

ADJUSTABLE MORTGAGE SURVEY 5

49. To whom are you currently selling the majority of your ARM and/or GPARM originations?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Freddie Mac	2.22%	14.50%	18.18%	12.50%	12.50%	4.17%	4.07%	26.13%	8.62%	16.57%
Fannie Mae	8.89	7.93	0.00	12.50	18.75	8.33	34.83	17.68	3.47	0.00
Private Investors	57.78	38.50	27.27	50.00	43.75	41.67	38.02	22.51	37.04	57.62
Others	0.00	13.38	54.54	12.50	6.25	4.17	0.00	16.35	13.08	14.25
Do Not Know	31.11	25.69	0.00	12.50	18.75	41.67	23.08	17.34	37.79	11.57

50. Do you offer balloon mortgages?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>							
			<u>Size</u>				<u>Region</u>			
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	23.29%	34.76%	34.40%	36.36%	33.90%	34.02%	27.03%	43.51%	27.98%	43.13%
No	76.71	65.24	65.60	63.64	66.10	65.99	72.97	56.49	72.02	56.87

ADJUSTABLE MORTGAGE SURVEY 5

51. Do you guarantee refinancing for your balloon mortgages at time of renewal if the borrower qualifies under the new terms?

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>							
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Yes	29.41%	37.25%	30.23%	57.14%	40.00%	36.49%	26.62%	43.27%	36.62%	29.10%
No	52.94	60.25	67.44	42.86	50.00	60.47	57.08	56.73	62.02	70.20
Do Not Know	17.65	2.50	2.33	0.00	10.00	3.04	16.30	0.00	1.36	0.70

52. Would you estimate that during the past 12 months the percentage of your conventional originations that have been balloon loans to be...

	<u>Mortgage Servicers</u>	<u>Total S&Ls</u>	<u>Savings And Loan Associations</u>				<u>Region</u>			
			<u>Size</u>							
			<u>Less Than \$100 Million</u>	<u>\$100-299 Million</u>	<u>\$300-999 Million</u>	<u>\$1 Billion and Over</u>	<u>North- east</u>	<u>North Central</u>	<u>South</u>	<u>West</u>
Less Than 10%	82.35%	68.96%	72.09%	60.71%	65.00%	72.64%	77.13%	54.49%	74.43%	92.57%
11% To 24%	0.00	11.97	9.30	17.86	15.00	18.24	0.00	17.37	11.46	6.74
25% To 50%	0.00	3.56	2.33	7.14	5.00	0.00	0.00	5.45	3.85	0.00
Over 50%	5.88	11.24	13.95	7.14	5.00	0.00	0.00	22.70	4.82	0.00
Do Not Know	11.76	4.27	2.33	7.14	10.00	9.12	22.87	0.00	4.44	0.70

ADJUSTABLE MORTGAGE SURVEY 5

55. Would you estimate the percent of your conventional originations that have been GEM loans over the past 12 months to be...

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size							
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Less Than 5%	92.86%	75.07%	75.00%	83.33%	66.67%	64.47%	9.24%	77.95%	77.96%	100.00%
5% To 9%	3.57	4.18	0.00	16.67	0.00	5.92	0.00	22.05	0.00	0.00
Greater Than 9%	3.57	19.87	25.00	0.00	33.33	17.76	90.76	0.00	20.51	0.00
Do Not Know	0.00	0.87	0.00	0.00	0.00	11.84	0.00	0.00	1.52	0.00

56. Is your institution buying any of the following types of loans?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size							
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over	North- east	North Central	South	West
Fixed-Rate Mortgages	43.84%	13.35%	10.24%	16.88%	20.34%	37.03%	15.13%	14.24%	11.16%	15.93%
Growing Equity Mortgages	12.33	1.88	1.58	2.60	1.70	4.14	3.44	0.00	2.59	3.17
Adjustable Rate Mortgages	34.25	23.45	21.26	24.68	28.81	47.37	30.58	24.55	20.11	21.80
Graduated Payment Adjustable										
Rate Mortgages	30.14	11.05	9.45	12.99	13.56	25.65	14.26	11.20	9.92	10.15
Balloon Loans	2.74	2.42	3.15	0.00	1.70	5.17	0.21	3.46	1.51	5.57
Other Types Of Mortgages	5.48	3.37	3.94	2.60	1.70	1.03	8.65	5.07	0.70	0.00

ADJUSTABLE MORTGAGE SURVEY 5

57. During the past 12 months, what was the volume of your entire institution's conventional residential mortgage originations?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than \$1 Million	0.00%	6.18%	8.87%	1.30%	0.00%	0.00%	13.74%	4.69%	6.09%	0.00%
Greater Than \$1 Million But Less Than \$10 Million	2.74	38.42	48.39	22.08	15.25	4.13	26.70	51.79	36.08	16.02
Greater Than \$10 Million But Less Than \$50 Million	9.59	25.64	19.36	46.75	28.81	6.20	25.00	21.72	29.94	23.09
Greater Than \$50 Million But Less Than \$100 Million	9.59	8.69	6.45	12.99	15.25	8.27	9.73	4.07	10.76	14.55
Greater Than \$100 Million But Less Than \$200 Million	21.92	2.30	0.00	2.60	10.17	26.78	2.75	1.70	1.81	5.55
Greater Than \$200 Million But Less Than \$500 Million	23.29	1.62	0.81	0.00	8.48	10.34	0.21	0.72	2.06	5.06
Greater Than \$500 Million	13.70	1.36	0.81	1.30	1.70	12.41	1.59	0.09	0.86	7.13
Do Not Know	19.18	15.79	15.32	12.99	20.34	31.86	17.28	15.22	12.40	28.60

58. Are you currently offering second mortgages?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Yes	43.84%	83.00%	80.65%	88.16%	86.44%	88.62%	73.85%	82.56%	83.23%	97.58%
No	56.16	17.00	19.36	11.84	13.56	11.38	26.15	17.44	16.77	2.43

ADJUSTABLE MORTGAGE SURVEY 5

59. What percent of your conventional residential business is insured by private mortgage insurance companies?

	Mortgage Servicers	Total S&Ls	Savings And Loan Associations				Region			
			Size				North- east	North Central	South	West
			Less Than \$100 Million	\$100-299 Million	\$300-999 Million	\$1 Billion and Over				
Less Than 5.0%	1.37%	18.61%	22.58%	15.58%	1.70%	3.10%	22.92%	21.99%	16.66%	8.26%
5.0% To 9.9%	0.00	9.71	12.10	5.20	5.00	3.10	19.23	6.03	8.10	13.81
10.0% To 19.9%	2.74	14.90	15.32	12.99	16.95	13.24	11.08	19.22	10.84	22.03
20.0% To 29.9%	2.74	12.55	12.10	12.99	15.25	11.38	17.99	16.20	9.00	5.76
30.0% To 39.9%	4.11	5.96	4.03	10.39	6.78	14.37	7.20	6.33	4.59	8.15
40.0% To 49.9%	4.11	7.17	7.26	7.79	6.78	2.07	5.37	7.96	8.25	3.02
50.0% To 59.9%	10.96	4.08	2.42	3.90	16.95	4.14	1.18	4.78	4.92	2.95
60.0% To 69.9%	6.85	0.46	0.00	1.30	1.70	1.03	0.00	0.00	0.70	1.79
70.0% To 79.9%	19.18	8.41	8.87	6.49	8.48	11.38	1.98	6.08	14.72	1.48
Over 80.0%	32.88	7.04	6.45	9.09	6.78	6.21	0.00	2.47	13.35	8.57
Do Not Know	15.07	11.11	8.87	14.29	13.56	29.99	13.05	8.92	8.87	24.17